

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**Form S-1**  
**REGISTRATION STATEMENT**  
**UNDER**  
**THE SECURITIES ACT OF 1933**

**Booz Allen Hamilton Holding Corporation**

*(Exact name of registrant as specified in its charter)*

**Delaware**  
*(State or other jurisdiction of  
incorporation or organization)*

**7373**  
*(Primary Standard Industrial  
Classification Code Number)*

**26-2634160**  
*(I.R.S. Employer  
Identification Number)*

**8283 Greensboro Drive**  
**McLean, Virginia 22102**  
**(703) 902-5000**

*(Address, including Zip Code, and Telephone Number, including Area Code, of Registrant's Principal Executive Offices)*

**CG Appleby**  
**Executive Vice President and General Counsel**  
**8283 Greensboro Drive**  
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*(Name, Address, including Zip Code, and Telephone Number, including Area Code, of Agent for Service)*

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**Approximate date of commencement of proposed sale to the public:** As soon as practicable after the effective date hereof.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration number of the earlier effective registration statement for the same offering.

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

Large accelerated filer

Accelerated filer

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

Smaller reporting company

**CALCULATION OF REGISTRATION FEE**

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee(2)
Class A common stock, \$0.01 par value per share	\$300,000,000	\$21,390

- (1) Includes offering price of shares which the underwriters have the option to purchase. Estimated solely for the purpose of calculating the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.
- (2) Calculated pursuant to Rule 457(o) based on an estimate of the proposed maximum aggregate offering price.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

The information in this prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state or jurisdiction where the offer or sale is not permitted.

**SUBJECT TO COMPLETION, DATED JUNE 21, 2010**

Shares  
**Booz | Allen | Hamilton**

**Class A Common Stock**

This is an initial public offering of Class A common stock of Booz Allen Hamilton Holding Corporation. We are offering \_\_\_\_\_ shares of Class A common stock to be sold in this offering. No public market currently exists for our Class A common stock. The initial public offering price of our Class A common stock is expected to be between \$ \_\_\_\_\_ and \$ \_\_\_\_\_ per share.

We will apply to list our Class A common stock on \_\_\_\_\_ under the symbol "BAH."

**Investing in our Class A common stock involves risks. See "Risk Factors" beginning on page 15 of this prospectus.**

	<u>Per Share</u>	<u>Total</u>
Initial public offering price	\$ _____	\$ _____
Underwriting discounts and commissions	\$ _____	\$ _____
Proceeds, before expenses, to us	\$ _____	\$ _____

The underwriters also may purchase up to \_\_\_\_\_ additional shares from us at the initial offering price less the underwriting discounts and commissions to cover over-allotments, if any.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The underwriters expect to deliver the shares to purchasers on or about \_\_\_\_\_, 2010.

**Morgan Stanley**

**BofA Merrill Lynch**

**BB&T Capital Markets**

**Barclays Capital**

**Credit Suisse**

**Stifel Nicolaus**

**Lazard Capital Markets**

**Raymond James**

, 2010.

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You should rely only on the information contained in this prospectus or any free writing prospectus prepared by or on behalf of us or to which we have referred you. Neither we nor the underwriters have authorized anyone to provide you with additional or different information. Neither this prospectus nor any free writing prospectus is an offer to sell anywhere or to anyone where or to whom we are not permitted to offer or to sell securities under applicable law. The information in this prospectus or any free writing prospectus is accurate only as of the date of this prospectus or such free writing prospectus, as applicable.

## MARKET AND INDUSTRY DATA

Information in this prospectus about each of the U.S. government defense, intelligence and civil markets, including our general expectations concerning those markets, our position within those markets and the amount of spending by the U.S. government on private contractors in any of those markets, is based on estimates prepared using data from independent industry publications, reports by market research firms, other published independent sources, including the U.S. government, and our good faith estimates and assumptions, which are derived from such data and our knowledge of and experience in these markets. Although we believe these sources are credible, we have not verified the data or information obtained from these sources. Accordingly, investors should not place undue reliance on this information. By including such market data and industry information, we do not undertake a duty to provide such data in the future or to update such data if it is updated. Our estimates, in particular as they relate to our general expectations concerning the U.S. government defense, intelligence and civil markets, have not been verified by any independent source and involve risks and uncertainties and are subject to change based on various factors, including those discussed under the caption "Risk Factors."

## SUPPLEMENTAL INFORMATION

Unless the context otherwise indicates or requires, as used in this prospectus, references to: (i) "we," "us," "our" or our "company" refer to Booz Allen Hamilton Holding Corporation, its consolidated subsidiaries and predecessors; (ii) "Booz Allen Holding" or "issuer" refers to Booz Allen Hamilton Holding Corporation exclusive of its subsidiaries; (iii) "Booz Allen Investor" refers to Booz Allen Hamilton Investor Corporation, a wholly-owned subsidiary of Booz Allen Holding; (iv) "Booz Allen Hamilton" refers to Booz Allen Hamilton Inc., our primary operating company and a wholly-owned subsidiary of Booz Allen Holding; (v) "The Carlyle Group" or "Carlyle" refers to The Carlyle Group and its affiliated investment funds; (vi) the "Acquisition" refers to the acquisition of Booz Allen Hamilton by investment funds affiliated with The Carlyle Group through Explorer Coinvest LLC, a Delaware limited liability company controlled by The Carlyle Group, the spin off of our commercial and international business and the related transactions; (vii) the "Recapitalization" refers to the payment of a special dividend on December 11, 2009 and repayment of a portion of a deferred payment obligation of Booz Allen Investor and the related amendments to the credit agreements governing the Credit Facilities as more fully described under "The Acquisition and Recapitalization Transaction;" (viii) "Senior Credit Facilities" refers to our senior secured loan facilities providing for three term loan facilities and a revolving loan credit facility; (ix) "Mezzanine Credit Facility" refers to our mezzanine credit facility providing for a mezzanine term loan facility; (x) "Credit Facilities" refers to the Senior Credit Facilities together with the Mezzanine Credit Facility; (xi) "clients," when used in the context of the U.S. government, refers to organizations at all levels of the U.S. government, ranging from executive departments to independent agencies and offices, with whom we contract for the provision of services; (xii) "fiscal," when used in reference to any twelve-month period ended March 31, refers to our fiscal years ended March 31; and (xiii) "pro forma 2009" refers to our unaudited pro forma results for the twelve months ended March 31, 2009, assuming the Acquisition had been completed as of April 1, 2008.

We are organized and operate as a corporation. Our use of the term "partnership" in this prospectus reflects our collaborative culture, and our use of the term "partner" in this prospectus refers to our Chairman and our Executive and Senior Vice Presidents. The use of the terms "partnership" and "partner" is not meant to create any implication that we operate our company as, or have any intention to create a legal entity that is, a partnership.

Booz Allen Hamilton®, Transformation Life Cycle™, the Booz Allen Hamilton logo, and other trademarks or service marks of Booz Allen Hamilton Inc. appearing in this prospectus are property of Booz Allen Hamilton Inc. Trade names, trademarks and service marks of other companies appearing in this prospectus are the property of their respective owners.

We have made rounding adjustments to reach some of the figures included in this prospectus and, unless otherwise indicated, percentages presented in this prospectus are approximate.

## PROSPECTUS SUMMARY

*This summary highlights information contained elsewhere in this prospectus. This summary does not contain all of the information that you should consider before investing in our Class A common stock. You should read the entire prospectus carefully, including the "Risk Factors" section and our consolidated financial statements and the notes to those statements, before making an investment decision. Some of the statements in this summary constitute forward-looking statements. See "Special Note Regarding Forward-Looking Statements."*

### Overview

We are a leading provider of management and technology consulting services to the U.S. government in the defense, intelligence and civil markets. We are a well-known, trusted and long-term partner to our clients, who seek our expertise and objective advice to address their most important and complex problems. Leveraging our 95-year consulting heritage and a talent base of approximately 23,300 people, we deploy our deep domain knowledge, functional expertise and experience to help our clients achieve their objectives. We have a collaborative culture, supported by our operating model, which helps our professionals identify and respond to emerging trends across the markets we serve and delivers enduring results for our clients. We have grown our revenue organically at an 18% compound annual growth rate, or CAGR, over the 15-year period ended March 31, 2010, reaching \$5.1 billion in revenue in fiscal 2010.

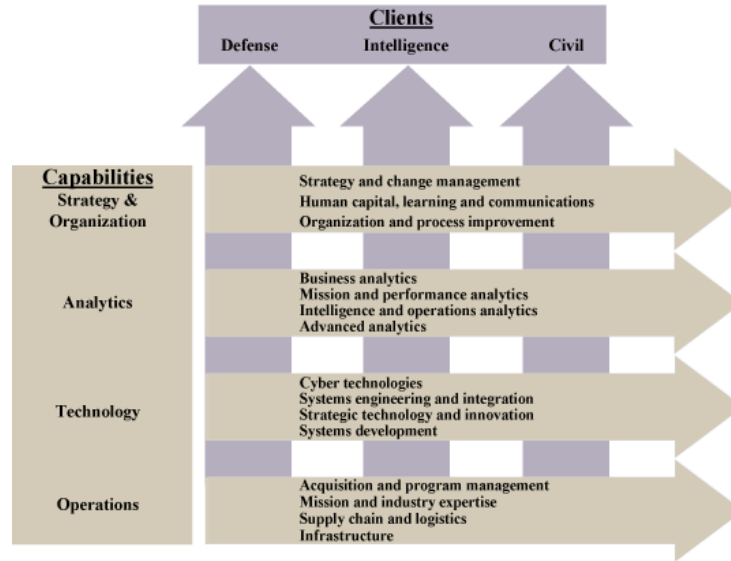
We were founded in 1914 by Edwin Booz, one of the pioneers of management consulting. In 1940, we began serving the U.S. government by advising the Secretary of the Navy in preparation for World War II. As the needs of our clients have grown more complex, we have expanded beyond our management consulting foundation to develop deep expertise in technology, engineering, and analytics. Today, we serve substantially all of the cabinet-level departments of the U.S. government. Our major clients include the Department of Defense, all branches of the U.S. military, the primary group of government agencies and organizations that carry out intelligence activities for the U.S. government, which we refer to as the U.S. Intelligence Community, and civil agencies such as the Department of Homeland Security, the Department of Energy, the Department of Health and Human Services, the Department of the Treasury and the Environmental Protection Agency. We support these clients in addressing complex and pressing challenges such as combating global terrorism, improving cyber capabilities, transforming the healthcare system, improving efficiency and managing change within the government and protecting the environment.

We have strong and longstanding relationships with a diverse group of organizations at all levels of the U.S. government. We derived 98% of our revenue in fiscal 2010 from services provided to over 1,300 clients across the U.S. government under more than 4,900 contracts and task orders. We have served our top ten clients, or their predecessor organizations, for an average of over 20 years. We derived 87% of our revenue in fiscal 2010 from engagements for which we acted as the prime contractor. Also during fiscal 2010, we achieved an overall win rate of 57% on new contracts and task orders for which we competed and a win rate of more than 92% on re-competed contracts and task orders for existing or related business. As of March 31, 2010, our total backlog, including funded, unfunded, and priced options, was \$9.0 billion, an increase of 24% over March 31, 2009.

We attribute the strength of our client relationships, the commitment of our people, and our resulting growth to our management consulting heritage and culture, which instills our relentless focus on delivering value and enduring results to our clients. We operate our business as a single profit center, which drives our ability to collaborate internally and compete externally. Our operating model is built on (1) our dedication to client service, which focuses on leveraging our experience and knowledge to provide differentiated insights, (2) our partnership-style culture and compensation system, which fosters collaboration and the efficient allocation of our people across markets, clients and opportunities, (3) our professional development and 360-degree assessment system, which ensures that our people are aligned with our collaborative culture, core values and ethics and (4) our approach to the market, which leverages our matrix of deep domain expertise in the defense, intelligence and civil markets and our strong capabilities in strategy and organization, analytics, technology and operations.

**Go-to-Market Matrix**

The diagram below illustrates our approach to market through which we deploy four capability areas, including specified areas of expertise, to service our defense, intelligence and civil clients. Our dynamic matrix of functional capabilities and domain expertise plays a critical role in our efforts to deliver proven results to our clients.



**Market Opportunity**

**Large Addressable Markets**

We believe that the U.S. government is the world’s largest consumer of management and technology consulting services. The U.S. government’s budget for the fiscal year ended September 30, 2009 was \$3 trillion, excluding authorizations from the American Recovery and Reinvestment Act of 2009, or the ARRA, Overseas Contingency Operations, and supplemental funding for the Department of Defense. Of this amount, \$1 trillion was for discretionary budget authority, including \$537 billion for the Department of Defense and \$490 billion for civil agencies. Based on data from the Federal Procurement Data System, or FPDS, approximately \$513 billion of the U.S. government fiscal year 2009 discretionary outlays were for non-intelligence agency and non-ARRA funding-related products and services procured from private contractors. We estimate that \$94 billion of the spending directed towards private contractors in U.S. government fiscal year 2009 was for management and technology consulting services, with \$61 billion spent by the Department of Defense and \$33 billion spent by civil agencies. The agencies of the U.S. Intelligence Community that we serve represent an additional market.

**Focus on Efficiency and Transforming Procurement Practices**

There is pressure across the U.S. government to control spending while also improving services for citizens and aggressively pursuing numerous important policy initiatives. This has led to an increased focus on

accomplishing more with fewer resources, streamlining information services and processes, reducing fraud, waste and abuse, and improving productivity. In order to efficiently implement these initiatives, we believe that the U.S. government will require support in the form of the services that we provide, such as strategy and change management and organization and process improvement. Economic pressure has also driven an emphasis on greater accountability, transparency and spending effectiveness in U.S. government procurement practices. Recent efforts to reform procurement practices have focused on (1) decreasing the use of Lead System Integrators to avoid potential conflicts of interest and facilitate government oversight, (2) the unbundling of outsourced projects to link contract payments to specific milestones and project benchmarks in order to ensure timely delivery and adherence to required budgets and outlays and (3) the separation of certain types of work to facilitate objectivity and avoid or mitigate specific organizational conflicts of interest, or OCI issues, including, among other things, separating sellers of products and providers of advisory services in major defense acquisition programs.

#### ***Complex Defense, Intelligence and Civil Agency Requirements***

The U.S. government continually reassesses and updates its long-term priorities and develops new strategies to address the rapidly evolving issues it faces. In order to deliver effective advice in this environment, service providers must possess a comprehensive knowledge of, and experience with, the participants, systems and technology employed by the U.S. government, and must also have an ability to facilitate knowledge sharing while managing varying objectives. For example, within the Department of Defense, the 2010 Quadrennial Defense Review, or the 2010 QDR, prioritizes support for the war fighter and integrating intelligence, surveillance and reconnaissance systems with weapons and ground operations. Within the U.S. Intelligence Community and across the U.S. government generally, the current priority is enhancing cyber-capabilities, including cyber-security, in the face of the continually evolving threat of terrorism and the increasing reliance of both the U.S. government and the private sector on critical information technology systems. In U.S. government fiscal year 2009, the U.S. government established the Comprehensive National Cybersecurity Initiative, or CNCI, to support and coordinate U.S. cyber initiatives. At the time of CNCI's establishment, the Washington Post reported that the U.S. government would spend approximately \$17 billion over seven years in connection with CNCI. Within the civil agencies of the U.S. government, there has been an increased focus on financial regulation, energy and environmental issues, healthcare reform and infrastructure-related challenges.

#### ***Major Changes Create Demand***

Major changes in the government, political and overall economic landscape drive demand for objective management and technology consulting services and advice. Certain of these changes, such as the inauguration of a new presidential administration, are recurring in nature. Other changes are more sudden and unexpected, as was the case with the attacks of September 11, 2001 and the recent financial crisis and economic downturn. To effectively help clients develop and implement new policies and respond to evolving priorities under such circumstances, service providers must have the flexibility to rapidly redeploy intellectual capital, resources and capabilities.

#### ***Our Value Proposition to Our Clients***

As a leading provider of management and technology consulting services to the U.S. government, we believe that we are well positioned to grow across markets characterized by increasing and rapid change.

#### ***Our People***

Our success as a management and technology consulting firm is highly dependent upon the quality, integrity and dedication of our people.

*Superior Talent Base.* We have a highly educated talent base of approximately 23,300 people. Many of the U.S. government contracts for which we compete require contractors to have high-level security clearances, and our large pool of cleared employees allows us to meet these needs. As of March 31, 2010,

74% of our people held government security clearances: 25% at Secret and 47% at Top Secret (55% of the latter were Top Secret/Sensitive Compartmented Information). Through internal referrals and external recruiting efforts, we are able to successfully renew and grow our talent base, and we believe that our ability to attract top level talent is significantly enhanced by our commitment to professional development, our position as a leader in our markets, the high quality of our work and the appeal of our culture.

*Focus on Talent Development.* We develop our talent base by providing our people with the opportunity to work on important and complex problems, encouraging and acknowledging contributions of our people at all levels of seniority, and facilitating broad, inclusive and insightful leadership.

*Assessment System that Promotes Collaboration.* We use our 360-degree assessment process to help promote and enforce the consistency of our collaborative culture, core values and ethics. Each of our approximately 23,300 people receives an annual assessment and also participates in the assessment of other company personnel.

*Core Values.* We believe that one of the key components of our success is our focus on core values. Our core values are: client service, diversity, excellence, entrepreneurship, teamwork, professionalism, fairness, integrity, respect and trust. All new hires receive extensive training that emphasizes our core values, facilitates their integration into our collaborative, client-oriented culture and helps to ensure the delivery of consistent and exceptional client service.

#### ***Our Management Consulting Heritage***

*Our Approach to Client Service.* Over the 70 years that we have been serving the U.S. government, we have cultivated relationships of trust with, and developed a comprehensive understanding of, our clients. This insight regarding our clients, together with our deep domain knowledge and capabilities, enable us to anticipate, identify and address the specific needs of our clients. While working on contract engagements, our people work to develop a holistic understanding of the issues and challenges facing our clients to ensure that our advice helps them achieve enduring results.

*Partnership-Style Culture and Compensation System.* A commitment to teamwork is deeply ingrained in our company, and our partnership-style culture is critical to maintaining this component of our operating model. We manage our company as a single profit center with a partner-style compensation system that focuses on the success of the institution over the success of the individual.

#### ***Our Client-Oriented Matrix Approach***

We are able to address the complex and evolving needs of our clients and grow our business through the application of our matrix of deep domain knowledge and market-leading capabilities. Through this approach, we deploy our four key capabilities, strategy and organization, analytics, technology, and operations, across our client base. This approach enables us to quickly assemble and deploy, and redeploy when necessary, client-focused teams comprised of people with the skills and expertise needed to address the challenges facing our clients. We believe that our growth and significant win rates on new and re-competed contracts demonstrate the strength of our matrix approach as well as our industry-leading reputation and our proven track record.

#### ***Our Strategy for Continued Growth***

To serve our clients and grow our business, we intend to execute the following strategies:

*Expand Our Business Base.* We believe that significant growth opportunities exist in our markets, and we intend to:

- *Deepen Our Existing Client Relationships.* Our approach to client service and our collaborative culture enable us to effectively cross-sell and deploy multiple services to existing clients. We plan to leverage our comprehensive understanding of our clients' needs and our track record of successful



performance to grow our client relationships and expand the scope of the services we provide to our existing clients.

- *Help Clients Rapidly Respond to Change.* We will continue to help our clients formulate rapid and dynamic responses to the frequent and sometimes sudden changes that they face by leveraging: the scope and scale of our domain expertise, our broad capabilities, and our one-firm culture, which allows us to effectively and efficiently allocate our resources and deploy our intellectual capital.
- *Broaden Our Client Base.* We believe that growing demand for the types of services we provide and our ongoing business initiatives will enable us to leverage our reputation as a trusted partner and industry leader to cultivate new client relationships across all agencies and departments of the U.S. government. We will also continue to build on our current cyber-security related opportunities in the commercial market.

*Capitalize on Our Strengths in Emerging Areas.* We will continue to leverage our deep domain expertise and broad capabilities to help our clients address emerging issues, including:

- *Cyber.* Network-enabled technology now forms the backbone of our economy, infrastructure and national security, and recent national policies and governmental initiatives in this area are creating new cyber-related opportunities. We are currently involved in numerous cyber-related initiatives for our defense, intelligence and civil clients and cyber-security initiatives for commercial clients.
- *Government Efficiency and Procurement.* We are focused on helping the U.S. government achieve operating and budgetary efficiencies driven by the need to control spending while simultaneously pursuing numerous policy initiatives. In addition, recent U.S. government reforms in the procurement area may allow us to leverage our status as a large, objective service provider with deep domain knowledge and technical expertise to win additional assignments to the extent that we are able to address OCI and similar concerns more easily than our competitors.
- *Ongoing Healthcare Transformation.* We expect recent and ongoing developments in the healthcare market, such as the passage of the Affordable Care Act of 2010 and the Health Information Technology for Economic and Clinical Health Act of 2009, to increase demand for our healthcare consulting capabilities. We have been serving healthcare-oriented clients in the U.S. government since the late 1980's.
- *Systems Engineering & Integration, or SE&I.* Our clients are increasingly utilizing SE&I services to help them manage every phase of the development and integration of increasingly sophisticated information technology, communications and mission systems — ranging from satellite and space systems to air traffic control and naval systems. Through the application of our matrix, we have developed deep cross-market SE&I capabilities combining engineering, acquisition, management and prime contracting expertise. We plan to leverage this knowledge and expertise to bid on large-scale SE&I contract awards.

*Continue to Innovate.* We will continue to invest significant resources in our efforts to identify near-term developments and long-term trends that may present significant challenges or opportunities for our clients. Our single profit center and one-firm culture provide the flexibility to devote company-wide resources and key intellectual capital to developing the functional capabilities and expertise needed to address new and emerging challenges. We have regularly allocated significant resources to these business development efforts and have successfully transitioned several such initiatives into meaningful contributors to our business. We continue to invest in many initiatives at various stages of development, and are currently focused on cloud computing, advanced analytics, and the deployment of specialized services and capabilities in the financial sector, among others.

#### **Our Principal Stockholder**

Our principal stockholder is Explorer Coinvest LLC, or Coinvest, an entity controlled by Carlyle. Coinvest became our principal stockholder in our July 2008 merger transaction, which, together with the spin off of our commercial and international business and the related transactions, is referred to in this prospectus as the Acquisition. See “The Acquisition and Recapitalization Transaction.”

The Carlyle Group is a global alternative asset manager with \$90.5 billion under management committed to 67 funds as of March 31, 2010. Carlyle invests in buyouts, growth capital, real estate and leveraged finance in North America, Europe, Asia, Australia, the Middle East and North Africa, and Latin America focusing on aerospace and defense, automotive and transportation, consumer and retail, energy and power, financial services, healthcare, industrial, infrastructure, technology and business services and telecommunications and media. Since 1987, the firm has invested \$60.6 billion of equity in 969 transactions for a total purchase price of \$233.4 billion. Carlyle employs 880 people in 27 offices throughout the world.

As of March 31, 2010, Carlyle, through Coinvest, owned 79% of our outstanding common stock, representing 81% of the total voting power in our company. Following the completion of this offering and assuming that the underwriters do not exercise their option to purchase additional shares of Class A common stock, Carlyle will continue to own % of our outstanding common stock, representing % of the total voting power in our company. Because of certain voting and other provisions of the current stockholders agreement, Carlyle may be deemed to share beneficial ownership over shares of common stock held by other stockholders. Of the seven members currently serving on our board of directors, or the Board, four were designated by Carlyle. Under the terms of an amended and restated stockholders agreement to be entered into among Booz Allen Holding and Coinvest in connection with this offering, or the Amended and Restated Stockholders Agreement, Carlyle will continue to have the right to designate a majority of the Board nominees for election and the voting power to elect such nominees following the completion of the offering. In addition, the Amended and Restated Stockholders Agreement will continue to provide rights and restrictions with respect to certain transactions in our securities entered into by Coinvest or certain other stockholders. See “Certain Relationships and Related Party Transactions — Related Person Transactions — Stockholders Agreement.”

#### **Company Information**

We are incorporated under the laws of the state of Delaware. Our principal executive office is located at 8283 Greensboro Drive, McLean, Virginia 22102, and our telephone number is (703) 902-5000. Our website is [www.boozallen.com](http://www.boozallen.com) and is included in this prospectus as an inactive textual reference only. The information contained on, or that may be accessed through, our website is not part of, and is not incorporated into, this prospectus.

### The Offering

Class A common stock offered by us	shares
Class A common stock outstanding after the offering	shares
Option to purchase additional shares of Class A common stock	The underwriters have a 30-day option to purchase an additional shares of Class A common stock from us.
Proposed stock exchange symbol	"BAH"
Use of proceeds	We estimate that our net proceeds from the offering, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, will be approximately \$ million, based on the midpoint of the price range set forth on the cover page of this prospectus. We intend to use the net proceeds from this offering to repay \$ million of indebtedness outstanding under the Mezzanine Credit Facility and pay an associated prepayment penalty of \$ million. See "Use of Proceeds." Certain of the underwriters of this offering or their affiliates are lenders under our Senior Credit Facilities and Mezzanine Credit Facility. Accordingly, certain of the underwriters may receive net proceeds from this offering in connection with the repayment of the Mezzanine Credit Facility. See "Underwriting."
Risk factors	See "Risk Factors" and other information included in this prospectus for a discussion of factors you should carefully consider before deciding whether to invest in shares of our Class A common stock.
Dividend policy	We do not expect to pay dividends on our Class A common stock for the foreseeable future.

Following this offering, we will have four classes of authorized common stock: Class A common stock, Class B non-voting common stock, Class C restricted common stock and Class E special voting common stock. As of , 2010, , and shares of our Class B non-voting common stock, Class C restricted common stock and Class E special voting common stock were outstanding. The rights of the holders of Class A common stock, Class C restricted common stock and Class E special voting common stock are identical, except with respect to participation in dividends and other distributions, vesting and conversion. Class A common stock, Class C restricted common stock and Class E special voting common stock are entitled to one vote per share on all matters voted on by our stockholders. The Class B common stock is non-voting common stock. When stock options related to our Class E common stock are exercised, we will repurchase the underlying share of Class E common stock and issue a share of Class A common stock to the option holder. See "Description of Capital Stock."

The number of shares of our Class A common stock to be outstanding immediately after the offering is based on the number of shares of Class A common stock outstanding as of , 2010. Such number excludes:

- shares of Class A common stock reserved for issuance under our Equity Incentive Plan, including shares issuable upon the exercise of outstanding stock options;
- shares of Class A common stock reserved for issuance under our Officers' Rollover Stock Plan upon the exercise of outstanding stock options related to outstanding shares of our Class E special voting common stock and our mandatory repurchase of those shares in connection with such exercise; and

- shares of Class A common stock issuable upon transfer of outstanding Class B non-voting common stock and Class C restricted common stock.

Unless we indicate otherwise, the information in this prospectus:

- reflects a -for-1 split of our outstanding common stock to be effected prior to the completion of this offering;
- gives effect to amendments to our certificate of incorporation and bylaws to be adopted prior to the completion of this offering and the related elimination of our Class D merger rolling common stock and Class F non-voting restricted common stock prior to the completion of this offering;
- assumes the issuance of shares of Class A common stock in this offering;
- assumes that the initial public offering price of our Class A common stock will be \$ per share, which is the midpoint of the price range set forth on the cover page of this prospectus;
- assumes that the underwriters will not exercise their over-allotment option; and
- presents indebtedness outstanding under the Senior Credit Facilities and the Mezzanine Credit Facility as of any particular date net of unamortized discount.

## SUMMARY OF HISTORICAL CONSOLIDATED FINANCIAL AND OTHER DATA

The following tables provide a summary of our historical consolidated financial and other data for the periods indicated. The summary consolidated financial data for fiscal 2008 and fiscal 2010 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. Our historical results are not necessarily indicative of the results that may be expected for any future period. The information below should be read in conjunction with "Capitalization," "Selected Historical Consolidated Financial and Other Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and the consolidated financial statements and notes thereto included in this prospectus.

As discussed in more detail under "The Acquisition and Recapitalization Transaction," Booz Allen Hamilton was indirectly acquired by Carlyle on July 31, 2008. Immediately prior to the Acquisition, Booz Allen Hamilton spun-off its commercial and international business and retained its U.S. government business. The accompanying consolidated financial statements included elsewhere in this prospectus are presented for (1) the "Predecessor," which are the financial statements of Booz Allen Hamilton and its consolidated subsidiaries for the period preceding the Acquisition, and (2) the "Company," which are the financial statements of Booz Allen Holding and its consolidated subsidiaries for the period following the Acquisition. Prior to the Acquisition, Booz Allen Hamilton's U.S. government business is presented as the continuing operations of the Predecessor. The Predecessor's consolidated financial statements have been presented for the twelve months ended March 31, 2008 and the four months ended July 31, 2008. The operating results of the commercial and international business that was spun off by Booz Allen Hamilton effective July 31, 2008 have been presented as discontinued operations in the Predecessor consolidated financial statements and the related notes included in this prospectus. The Company's consolidated financial statements for periods subsequent to the Acquisition have been presented from August 1, 2008 through March 31, 2009 and for the twelve months ended March 31, 2010. The Predecessor's financial statements may not necessarily be indicative of the cost structure or results of operations that would have existed if the U.S. government business operated as a stand-alone, independent business. The Acquisition was accounted for as a business combination, which resulted in a new basis of accounting. The Predecessor's and the Company's financial statements are not comparable as a result of applying a new basis of accounting. See Notes 1, 4, and 24 to our consolidated financial statements for additional information regarding the accounting treatment of the Acquisition and discontinued operations.

The results of operations for fiscal 2008 are presented "as adjusted" to reflect the change in accounting principle related to our revenue recognition policies as described in "Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Estimates and Policies."

Included in the table below are unaudited pro forma results of operations for the twelve months ended March 31, 2009, or "pro forma 2009," assuming the Acquisition had been completed as of April 1, 2008. The unaudited pro forma condensed consolidated results of operations for fiscal 2009 are based on our historical audited consolidated financial statements included elsewhere in this prospectus, adjusted to give pro forma effect to the Acquisition. The unaudited pro forma condensed consolidated results of operations for fiscal 2009 are presented because management believes it provides a meaningful comparison of operating results enabling twelve months of fiscal 2009, adjusted for the impact of the Acquisition, to be compared with fiscal 2010. The unaudited pro forma condensed consolidated financial statements are for informational purposes only and do not purport to represent what our actual results of operations would have been if the Acquisition had been completed as of April 1, 2008 or that may be achieved in the future. The unaudited pro forma condensed consolidated financial information and the accompanying notes should be read in conjunction with our historical audited consolidated financial statements and related notes appearing elsewhere in this prospectus and other financial information contained in "Risk Factors," "The Acquisition and Recapitalization Transaction," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this prospectus. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Results of Operations" for a description of the pro forma adjustments attributable to the Acquisition.

The pro forma as adjusted (i) earnings per share and weighted average shares outstanding set forth in the table below give effect to the net proceeds to us from the sale of shares of our Class A common stock in this offering at an assumed initial public offering price of \$ , the midpoint of the range set forth on the cover page of this prospectus, and the use of our net proceeds from this offering to repay borrowings under our Mezzanine Credit Facility and the associated prepayment penalty as described in "Use of Proceeds," as if each had occurred on April 1, 2009, and (ii) balance sheet data set forth in the table below gives effect to the net proceeds to us from the sale of shares of our Class A common stock in this offering at an assumed initial public offering price of \$ per share, the midpoint of the range set forth on the cover of this prospectus, and the use of our net proceeds from this offering to repay borrowings under our Mezzanine Credit Facility and the associated prepayment penalty as described in "Use of Proceeds," as if each had occurred on March 31, 2010.

	Predecessor	The Company	
	Fiscal Year Ended March 31, 2008 (As adjusted)	Pro Forma Fiscal Year Ended March 31, 2009(1)	Fiscal Year Ended March 31, 2010
(In thousands, except share and per share data)			
<b>Consolidated Statement of Operations Data:</b>			
Revenue	\$ 3,625,055	\$ 4,351,218	\$ 5,122,633
Operating costs and expenses:			
Compensation and other costs	2,028,848	2,296,335	2,654,143
Billable expenses	935,459	1,158,320	1,361,229
General and administrative expenses	474,188	723,827	811,944
Depreciation and amortization	33,079	106,335	95,763
Total operating costs and expenses	<u>3,471,574</u>	<u>4,284,817</u>	<u>4,923,079</u>
Operating income	153,481	66,401	199,554
Interest income	2,442	5,312	1,466
Interest expense	(2,319)	(146,803)	(150,734)
Other expense, net	(1,931)	(182)	(1,292)
Income (loss) from continuing operations before income taxes	151,673	(75,272)	48,994
Income tax (benefit) expense from continuing operations	62,693	(25,831)	23,575
Income (loss) from continuing operations	88,980	<u>\$ (49,441)</u>	25,419
Loss from discontinued operations	(71,106)		—
Net income	<u>\$ 17,874</u>		<u>\$ 25,419</u>
Weighted average common shares outstanding(2)(3):			
Basic			
Diluted			
Earnings per share from continuing operations(2)(3):			
Basic	\$	\$	\$
Diluted			
Pro forma as adjusted weighted average shares outstanding(3)(4):			
Basic			
Diluted			
Pro forma as adjusted earnings per share from continuing operations(3)(4):			
Basic			\$
Diluted			
Dividends per share (unaudited)	\$	\$	\$ (5)
<b>Other Financial Data (unaudited):</b>			
Adjusted EBITDA(6)	\$ 226,874	\$ 277,344	\$ 368,323
Adjusted Net Income(6)			\$ 97,000
Free Cash Flow(6)			\$ 221,213

	Predecessor	The Company	
	As of March 31,	As of March 31	
	2008	2009	2010
<b>Other Data (unaudited):</b>			
Backlog (in thousands)(7)	N/A(8)	\$7,278,782	\$9,012,923
Employees	18,822	21,614	23,315

	The Company	
	As of March 31, 2010	
	Actual	Pro Forma as Adjusted(9)
	(In thousands)	
<b>Consolidated Balance Sheet Data:</b>		
Cash and cash equivalents	\$ 307,835	
Working capital	584,248	
Total assets	3,062,223	
Long-term debt, net of current portion	1,546,782	
Stockholders' equity	509,583	

- (1) See "Selected Historical Consolidated Financial and Other Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operation — Results of Operations" for further information regarding our unaudited pro forma condensed consolidated results of operations.
- (2) Basic earnings per share for the Company has been computed using the weighted average number of shares of Class A common stock, Class B non-voting common stock and Class C restricted common stock outstanding during the period. The Company's diluted earnings per share has been computed using the weighted average number of shares of Class A common stock, Class B non-voting common stock and Class C restricted common stock including the dilutive effect of outstanding common stock options and other stock-based awards. The weighted average number of Class E special voting common stock has not been included in the calculation of either basic earnings per share or diluted earnings per share due to the terms of such common stock.  
Basic earnings per share for the Predecessor has been computed using the weighted average number of shares of Class A common stock outstanding during the period. The Predecessor's diluted earnings per share has been computed using the weighted average number of shares of Class A common stock including the dilutive effect of outstanding stock-based awards.
- (3) Reflects a - for-1 split of our outstanding common stock to be effected prior to the completion of this offering.
- (4) Includes shares of Class A common stock offered by us in this offering. Pro forma as adjusted earnings per share data also gives effect to the reduction in interest expense related to the use of the net proceeds from this offering to repay a portion of the Mezzanine Credit Facility.
- (5) Reflects the payment of special dividends in the aggregate amount of \$114.9 million and \$497.5 million to holders of record of our Class A common stock, Class B non-voting common stock, and Class C restricted common stock as of July 29, 2009 and December 8, 2009, respectively.
- (6) We utilize and discuss Adjusted EBITDA, Adjusted Net Income and Free Cash Flow because our management uses these measures for business planning purposes, including to manage the business against internal projected results of operations and measure the performance of the business generally. We also present Adjusted EBITDA, Adjusted Net Income and Free Cash Flow in this prospectus as supplemental performance measures because we believe that these measures provide investors and securities analysts with important supplemental information with which to evaluate our performance. We prepare Adjusted EBITDA and Adjusted Net Income to eliminate the impact of items we do not consider indicative of

ongoing operating performance due to their inherent unusual, extraordinary or non-recurring nature or because they result from an event of a similar nature.

Adjusted EBITDA, Adjusted Net Income and Free Cash Flow as discussed in this prospectus may vary from and may not be comparable to similarly titled measures presented by other companies in our industry. Adjusted EBITDA is different from the term "EBITDA" as it is commonly used, and Adjusted EBITDA also varies from (i) the measure "Consolidated EBITDA" discussed in this prospectus under "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Indebtedness" and (ii) the measures "EBITDA" and "Bonus EBITDA" discussed in this prospectus under "Executive Compensation." None of Adjusted EBITDA, Adjusted Net Income or Free Cash Flow is a recognized measurement under U.S. Generally Accepted Accounting Principles, or GAAP, and when analyzing our performance, investors should (i) evaluate each adjustment in our reconciliation of net income to Adjusted EBITDA and net income to Adjusted Net Income and the explanatory footnotes regarding those adjustments and (ii) use Adjusted EBITDA, Adjusted Net Income and Free Cash Flow in addition to, and not as alternatives to, operating income or net income as a measure of operating results or cash flows as a measure of liquidity, each as defined under GAAP.

"Adjusted EBITDA" represents net income before income taxes, net interest and other expense and depreciation and amortization and before certain other items, including: (i) certain stock option-based and other equity-based compensation expenses, (ii) transaction costs, fees, losses and expenses, (iii) the impact of the application of purchase accounting and (iv) any extraordinary, unusual or non-recurring items.

"Adjusted Net Income" represents net income before: (i) certain stock option-based and other equity-based compensation expenses, (ii) transaction costs, fees, losses and expenses, (iii) the impact of the application of purchase accounting, (iv) adjustments related to the amortization of intangible assets, (v) amortization or write-off of debt issuance costs and write-off of original issue discount, or OID, and (vi) any extraordinary, unusual or non-recurring items, in each case net of the tax effect calculated using an assumed effective tax rate.

"Free Cash Flow" represents (i) net cash provided by operating activities of continuing operations after (ii) purchases of property and equipment each as presented in our consolidated statements of cash flows.

The following table reconciles net income to Adjusted EBITDA:

	Predecessor	The Company	
	Fiscal Year Ended March 31, 2008 (As adjusted)	Pro Forma Fiscal Year Ended March 31, 2009	Fiscal Year Ended March 31, 2010
		(In thousands)	
Net income (loss)	\$ 17,874	\$ (49,441)(a)	\$ 25,419
Income tax (benefit) expense	62,693	(25,831)	23,575
Interest and other expense, net	1,808	141,673	150,560
Depreciation and amortization(b)	33,079	106,335	95,763
Certain stock-based compensation expense(c)	35,013	82,019	68,517
Transaction expenses(d)	5,301	19,512	3,415
Purchase accounting adjustments(e)	—	3,077	1,074
Non-recurring items(f)	71,106	—	—
Adjusted EBITDA	<u>\$ 226,874</u>	<u>\$ 277,344</u>	<u>\$ 368,323</u>

(a) Represents loss from continuing operations.

(b) Includes \$57.8 million and \$40.6 million in pro forma 2009 and fiscal 2010, respectively, of amortization of intangible assets resulting from the Acquisition.

(c) Reflects (i) \$35.0 million of expense in fiscal 2008 for stock rights under the Predecessor's Officer Stock Rights Plan, which were accounted for as liability awards, and (ii), \$70.5 million and



\$49.3 million of stock-based compensation expense for pro forma 2009 and fiscal 2010, respectively, for new options for Class A common stock and restricted shares, in each case, issued in connection with the Acquisition under the Officers' Rollover Stock Plan established in connection with the Acquisition. Expense is based on vesting schedules from three to five years, which is dependent on whether officers were classified as retirement or non-retirement eligible at the time of the Acquisition. Also reflects \$11.5 million and \$19.2 million for pro forma 2009 and fiscal 2010, respectively, of stock-based compensation expense for Equity Incentive Plan Class A common stock options issued in connection with the Acquisition under the Equity Incentive Plan established in connection with the Acquisition.

- (d) Fiscal 2008 and pro forma 2009 reflect charges related to the Acquisition, including legal, tax and accounting expenses. Fiscal 2010 reflects costs related to the modification of our Credit Facilities, the establishment of the Tranche C term loan facility under the Senior Credit Facilities and the related payment of special dividends. See "Acquisition and Recapitalization Transaction".
- (e) Reflects adjustments resulting from the application of purchase accounting in connection with the Acquisition not otherwise included in depreciation and amortization.
- (f) Reflects loss from discontinued operations.

The following table reconciles net income to Adjusted Net Income:

	<u>The Company</u>	
	<u>Fiscal Year Ended</u>	
	<u>March 31, 2010</u>	
Net income (loss)	\$	25,419
Certain stock-based compensation expense(a)		68,517
Transaction expenses(b)		3,415
Purchase accounting adjustments(c)		1,074
Amortization of intangible assets(d)		40,597
Amortization or write-off of debt issuance costs and write-off of OID		5,700
Adjustments for tax effect(e)		(47,721)
Adjusted Net Income	\$	<u>97,000</u>

- (a) Reflects \$49.3 million of stock-based compensation expense for new options for Class A common stock and restricted shares, in each case issued in connection with the Acquisition under the Officers' Rollover Stock Plan established in connection with the Acquisition. Expense is based on vesting schedules from three to five years, which is dependent on whether officers were classified as retirement or non-retirement eligible at the time of the Acquisition. Also reflects \$19.2 million of stock-based compensation expense for Equity Incentive Plan Class A common stock options issued in connection with the Acquisition under the Equity Incentive Plan established in connection with the Acquisition.
  - (b) Reflects costs related to the modification of our Credit Facilities, the establishment of the Tranche C term loan facility under the Senior Credit Facilities and the related payment of special dividends. See "Acquisition and Recapitalization Transaction".
  - (c) Reflects adjustments resulting from the application of purchase accounting in connection with the Acquisition.
  - (d) Reflects amortization of intangible assets resulting from the Acquisition.
  - (e) Reflects taxes on adjustments at an assumed marginal effective tax rate of 40%. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Factors and Trends Affecting Our Results of Operations — Income Taxes" and our consolidated financial statements and related footnotes included in this prospectus.
- (7) We define backlog to include funded backlog, unfunded backlog and priced options. Funded backlog represents the revenue value of orders for services under existing contracts for which funding is

appropriated or otherwise authorized less revenue previously recognized on those contracts. Unfunded backlog represents the revenue value of orders for services under existing contracts for which funding has not been appropriated or otherwise authorized. Priced contract options represent 100% of the revenue value of all future contract option periods under existing contracts that may be exercised at our clients' option and for which funding has not been appropriated or otherwise authorized. Backlog is given as of the end of each period presented. See "Risk Factors — Risks Relating to Our Business — We may not realize the full value of our backlog, which may result in lower than expected revenue," "Management's Discussion and Analysis of Financial Condition and Results of Operations — Factors and Trends Affecting Our Results of Operations — Sources of Revenue — Contract Backlog" and "Business — Backlog."

- (8) Not available because we began to separately track information on priced options on April 1, 2008.
- (9) Each \$1.00 increase (decrease) in the assumed public offering price of \$ per share would increase (decrease) the pro forma as adjusted amount of each of cash and cash equivalents, working capital, total assets, long-term debt, net of current portion and stockholders' equity by approximately \$ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. Each increase of 1.0 million shares in the number of shares offered by us, together with a concomitant \$1.00 increase in the assumed offering price of \$ per share, would increase the pro forma as adjusted amount of each of cash and cash equivalents, working capital, total assets, long-term debt, net of current portion, and stockholders' equity by approximately \$ million. Similarly, each decrease of 1.0 million shares in the number of shares offered by us, together with a concomitant \$1.00 decrease in the assumed offering price of \$ per share, would decrease the pro forma as adjusted amount of each of cash and cash equivalents, working capital, total assets, long-term debt, net of current portion, and stockholders' equity by approximately \$ million. The information discussed above is illustrative only and will adjust based on the actual public offering price and other terms of this offering determined at pricing.

## RISK FACTORS

*Investing in our common stock involves a high degree of risk. You should consider and read carefully all of the risks and uncertainties described below, as well as other information included in this prospectus, including our consolidated financial statements and related notes appearing at the end of this prospectus, before making an investment decision. The risks described below are not the only ones facing us. The occurrence of any of the following risks or additional risks and uncertainties not presently known to us or that we currently believe to be immaterial could materially and adversely affect our business, financial condition or results of operations. In such case, the trading price of our common stock could decline, and you may lose all or part of your original investment. This prospectus also contains forward-looking statements and estimates that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of specific factors, including the risks and uncertainties described below.*

### **Risks Related to Our Business**

***We depend on contracts with U.S. government agencies for substantially all of our revenue. If our relationships with such agencies are harmed, our future revenue and operating profits would decline.***

The U.S. government is our primary client, with revenue from contracts and task orders, either as a prime or a subcontractor, with U.S. government agencies accounting for 98% of our revenue for fiscal 2010. Our belief is that the successful future growth of our business will continue to depend primarily on our ability to be awarded work under U.S. government contracts, as we expect this will be the primary source of all of our revenue in the foreseeable future. For this reason, any issue that compromises our relationship with the U.S. government generally or any U.S. government agency that we serve would cause our revenue to decline. Among the key factors in maintaining our relationship with U.S. government agencies are our performance on contracts and task orders, the strength of our professional reputation, compliance with applicable laws and regulations, and the strength of our relationships with client personnel. If a client is not satisfied with the quality or type of work performed by us, a subcontractor or other third parties who provide services or products for a specific project, clients might seek to terminate the contract prior to its scheduled expiration date, provide a negative assessment of our performance to government-maintained contractor past-performance data repositories, fail to award us additional business under existing contracts or otherwise and direct future business to our competitors. Furthermore, we may incur additional costs to address any such situation and the profitability of that work might be impaired. To the extent that our performance does not meet client expectations, or our reputation or relationships with any of our clients is impaired, our revenue and operating profits could materially decline.

***U.S. government spending and mission priorities could change in a manner that adversely affects our future revenue and limits our growth prospects.***

Our business depends upon continued U.S. government expenditures on defense, intelligence and civil programs for which we provide support. These expenditures have not remained constant over time and have been reduced in certain periods. Our business, prospects, financial condition or operating results could be materially harmed among other causes by the following:

- budgetary constraints affecting U.S. government spending generally, or specific agencies in particular, and changes in available funding;
- a shift in expenditures away from agencies or programs that we support;
- reduced U.S. government outsourcing of functions that we are currently contracted to provide, including as a result of increased insourcing;
- changes in U.S. government programs that we support or related requirements;
- U.S. government shutdowns (such as that which occurred during government fiscal year 1996) or weather-related closures in the Washington, DC area (such as that which occurred in February 2010) and other potential delays in the appropriations process;

- U.S. government agencies awarding contracts on a technically acceptable/lowest cost basis in order to reduce expenditures;
- delays in the payment of our invoices by government payment offices; and
- changes in the political climate and general economic conditions, including a slowdown or unstable economic conditions and responses to conditions, such as emergency spending, that reduce funds available for other government priorities.

In particular, insourcing has become a major initiative for the Department of Defense. The Department of Defense is one of our significant clients and a reduction in the amount of services that we are contracted to provide to the Department of Defense as a result of this initiative or otherwise could have a material adverse effect on our business and results of operations.

These or other factors could cause U.S. government agencies to decrease the number of new contracts awarded generally and fail to award us new contracts, reduce their purchases under our existing contracts, exercise their right to terminate our contracts, or not exercise options to renew our contracts, any of which could cause a material decline in our revenue.

***We are required to comply with numerous laws and regulations, some of which are highly complex, and our failure to comply could result in fines or civil or criminal penalties or suspension or debarment by the U.S. government that could result in our inability to receive U.S. government contracts, which could materially and adversely affect our results of operations.***

As a U.S. government contractor, we must comply with laws and regulations relating to the formation, administration and performance of U.S. government contracts, which affect how we do business with our clients. Such laws and regulations may potentially impose added costs on our business and our failure to comply with them may lead to civil or criminal penalties, termination of our U.S. government contracts and/or suspension or debarment from contracting with federal agencies. Some significant laws and regulations that affect us include:

- the Federal Acquisition Regulation, or the FAR, and agency regulations supplemental to the FAR, which regulate the formation, administration and performance of U.S. government contracts. Specifically, FAR 52.203-13 requires contractors to establish a Code of Business Ethics and Conduct, implement a comprehensive internal control system, and report to the government when the contractor has credible evidence that a principal, employee, agent, or subcontractor, in connection with a government contract, has violated certain federal criminal law, violated the civil False Claims Act or has received a significant overpayment;
- the False Claims Act and False Statements Act, which impose civil and criminal liability for presenting false or fraudulent claims for payments or reimbursement, and making false statements to the U.S. government, respectively;
- the Truth in Negotiations Act, which requires certification and disclosure of cost and pricing data in connection with the negotiation of a contract, modification or task order;
- laws, regulations and executive orders restricting the use and dissemination of information classified for national security purposes and the export of certain products, services and technical data; and
- the Cost Accounting Standards and Cost Principles, which impose accounting requirements that govern our right to reimbursement under certain cost-based U.S. government contracts and require consistency of accounting practices over time.

In addition, the U.S. government adopts new laws, rules and regulations from time to time that could have a material impact on our results of operations.

Our performance under our U.S. government contracts and our compliance with the terms of those contracts and applicable laws and regulations are subject to periodic audit, review and investigation by various agencies of the U.S. government. If such an audit, review or investigation uncovers a violation of a law or regulation, or

improper or illegal activities relating to our U.S. government contracts, we may be subject to civil or criminal penalties or administrative sanctions, including the termination of contracts, forfeiture of profits, the triggering of price reduction clauses, suspension of payments, fines and suspension or debarment from contracting with U.S. government agencies. Such penalties and sanctions are not uncommon in the industry and there is inherent uncertainty as to the outcome of any particular audit, review or investigation. If we incur a material penalty or administrative sanction or otherwise suffer harm to our reputation, our profitability, cash position and future prospects could be materially and adversely affected. Further, if the U.S. government were to initiate suspension or debarment proceedings against us or if we are indicted for or convicted of illegal activities relating to our U.S. government contracts following an audit, review or investigation, we may lose our ability to be awarded contracts in the future or receive renewals of existing contracts for a period of time which could materially and adversely affect our results of operations or financial condition. We could also suffer harm to our reputation if allegations of impropriety were made against us, which would impair our ability to win awards of contracts in the future or receive renewals of existing contracts.

***We derive a majority of our revenue from contracts awarded through a competitive bidding process, and our revenue and profitability may be adversely affected if we are unable to compete effectively in the process or if there are delays caused by our competitors protesting major contract awards received by us.***

We derive a majority of our revenue from U.S. government contracts awarded through competitive bidding processes. We do not expect this to change for the foreseeable future. Our failure to compete effectively in this procurement environment would have a material adverse effect on our revenue and profitability.

The competitive bidding process involves risk and significant costs to businesses operating in this environment, including:

- the necessity to expend resources, make financial commitments (such as procuring leased premises) and bid on engagements in advance of the completion of their design, which may result in unforeseen difficulties in execution, cost overruns and, in the case of an unsuccessful competition, the loss of committed costs;
- the substantial cost and managerial time and effort spent to prepare bids and proposals for contracts that may not be awarded to us;
- the ability to accurately estimate the resources and costs that will be required to service any contract we are awarded;
- the expense and delay that may arise if our competitors protest or challenge contract awards made to us pursuant to competitive bidding, and the risk that any such protest or challenge could result in the resubmission of bids on modified specifications, or in termination, reduction, or modification of the awarded contract; and
- any opportunity cost of bidding and winning other contracts we might otherwise pursue.

In circumstances where contracts are held by other companies and are scheduled to expire, we still may not be provided the opportunity to bid on those contracts if the U.S. government determines to extend the existing contract. If we are unable to win particular contracts that are awarded through the competitive bidding process, we may not be able to operate in the market for services that are provided under those contracts for the duration of those contracts to the extent that there is no additional demand for such services. An inability to consistently win new contract awards over any extended period would have a material adverse effect on our business and results of operations.

It can take many months for the relevant U.S. government agency to resolve protests by one or more of our competitors of contract awards we receive. The resulting delay in the start up and funding of the work under these contracts may cause our actual results to differ materially and adversely from those anticipated.

***We may lose GSA schedules or our position as a prime contractor on one or more of our GWACs.***

We believe that one of the key elements of our success is our position as the holder of 11 General Services Administration Multiple Award schedule contracts, or GSA schedules, and as a prime contractor under four government-wide acquisition contract vehicles, or GWACs, as of March 31, 2010. Accordingly, our ability to maintain our existing business and win new business depends on our ability to maintain our position as a GSA schedule contractor and a prime contractor on GWACs. The loss of any of our GSA schedules or our prime contractor position on any of our contracts could have a material adverse effect on our ability to win new business and our operating results. In addition, if the U.S. government elects to use a contract vehicle that we do not hold, we will not be able to compete for work under that contract vehicle as a prime contractor.

***We may earn less revenue than projected, or no revenue, under certain of our contracts.***

Many of our contracts with our clients are indefinite delivery, indefinite quantity, or ID/IQ, contracts, including GSA schedules and GWACs. Our ability to generate revenue under each of these types of contracts depends upon our ability to be awarded task orders for specific services by the client. Multiple contractors may often compete under any of these contracts for task orders to provide particular services, and contractors earn revenue only to the extent that they successfully compete for these task orders. In fiscal 2008, pro forma 2009 and fiscal 2010, our revenue under our GSA schedules and GWACs accounted for 29%, 27% and 23%, respectively, of our total revenue. A failure to be awarded task orders under such contracts would have a material adverse effect on our results of operations and financial condition.

***Our earnings and profitability may vary based on the mix of our contracts and may be adversely affected by our failure to accurately estimate or otherwise recover the expenses, time and resources for our contracts.***

We enter into three general types of U.S. government contracts for our services: cost-reimbursable, time-and-materials and fixed-price. For fiscal 2010, we derived 50% of our revenue from cost-reimbursable contracts, 38% from time-and-materials contracts and 12% from fixed-price contracts.

Each of these types of contracts, to varying degrees, involves the risk that we could underestimate our cost of fulfilling the contract, which may reduce the profit we earn or lead to a financial loss on the contract and adversely affect our operating results.

Under cost-reimbursable contracts, we are reimbursed for allowable costs up to a ceiling and paid a fee, which may be fixed or performance-based. If our actual costs exceed the contract ceiling or are not allowable under the terms of the contract or applicable regulations, we may not be able to recover those costs. In particular, there is increasing focus by the U.S. government on the extent to which government contractors, including us, are able to receive reimbursement for employee compensation.

Under time-and-materials contracts, we are reimbursed for labor at negotiated hourly billing rates and for certain allowable expenses. We assume financial risk on time-and-materials contracts because our costs of performance may exceed these negotiated hourly rates.

Under fixed-price contracts, we perform specific tasks for a pre-determined price. Compared to time-and-materials and cost-reimbursable contracts, fixed-price contracts generally offer higher margin opportunities because we receive the benefits of any cost savings, but involve greater financial risk because we bear the impact of any cost overruns. The U.S. government has indicated that it intends to increase its use of fixed price contract procurements. Because we assume the risk for cost overruns and contingent losses on fixed-price contracts, an increase in the percentage of fixed-price contracts in our contract mix would increase our risk of suffering losses.

Additionally, our profits could be adversely affected if our costs under any of these contracts exceed the assumptions we used in bidding for the contract. We have recorded provisions in our consolidated financial statements for losses on our contracts, as required under GAAP, but our contract loss provisions may not be adequate to cover all actual losses that we may incur in the future.

***Our professional reputation is critical to our business.***

We depend on our contracts with U.S. government agencies for substantially all of our revenue and if our reputation or relationships with these agencies were harmed, our future revenue and growth prospects would be materially and adversely affected. Our reputation and relationship with the U.S. government is a key factor in maintaining and growing revenue under contracts with the U.S. government. Negative press reports regarding poor contract performance, employee misconduct, information security breaches or other aspects of our business, or regarding government contractors generally, could harm our reputation. If our reputation with these agencies is negatively affected, or if we are suspended or debarred from contracting with government agencies for any reason, such actions would decrease the amount of business that the U.S. government does with us, which would have a material adverse effect on our future revenue and growth prospects.

***We use estimates in recognizing revenue and if we make changes to estimates used in recognizing revenue, our profitability may be adversely affected.***

Revenue from our fixed-price contracts is primarily recognized using the percentage-of-completion method with progress toward completion of a particular contract based on actual costs incurred relative to total estimated costs to be incurred over the life of the contract. Revenue from our cost-plus-award-fee contracts are based on our estimation of award fees over the life of the contract. Estimating costs at completion and award fees on our long-term contracts is complex and involves significant judgment. Adjustments to original estimates are often required as work progresses, experience is gained and additional information becomes known, even though the scope of the work required under the contract may not change. Any adjustment as a result of a change in estimate is recognized as events become known.

In the event updated estimates indicate that we will experience a loss on the contract, we recognize the estimated loss at the time it is determined. Additional information may subsequently indicate that the loss is more or less than initially recognized, which requires further adjustments in our consolidated financial statements. Changes in the underlying assumptions, circumstances or estimates could result in adjustments that could have a material adverse effect on our future results of operations.

***We may not realize the full value of our backlog, which may result in lower than expected revenue.***

As of March 31, 2010, our total backlog was \$9.0 billion, of which \$2.5 billion was funded. We define backlog to include the following three components:

- ***Funded Backlog.*** Funded backlog represents the revenue value of orders for services under existing contracts for which funding is appropriated or otherwise authorized less revenue previously recognized on these contracts.
- ***Unfunded Backlog.*** Unfunded backlog represents the revenue value of orders for services under existing contracts for which funding has not been appropriated or otherwise authorized.
- ***Priced Options.*** Priced contract options represent 100% of the revenue value of all future contract option periods under existing contracts that may be exercised at our clients' option and for which funding has not been appropriated or otherwise authorized.

Backlog does not include any task orders under ID/IQ contracts, including GWACs and GSA schedules, except to the extent that task orders have been awarded to us under those contracts.

We historically have not realized all of the revenue included in our total backlog, and we may not realize all of the revenue included in our total backlog in the future. There is a somewhat higher degree of risk in this regard with respect to unfunded backlog and priced options. In addition, there can be no assurance that our backlog will result in actual revenue in any particular period. This is because the actual receipt, timing and amount of revenue under contracts included in backlog are subject to various contingencies, including congressional appropriations, many of which are beyond our control. For example, the actual receipt of revenue from contracts included in backlog may never occur or may be delayed because a program schedule could change or the program could be canceled, or a contract could be reduced, modified or terminated early.

including as a result of a lack of appropriated funds. In addition, even if our backlog results in revenue, the contracts may not be profitable.

***We may fail to attract, train and retain skilled and qualified employees with appropriate security clearances, which may impair our ability to generate revenue, effectively service our clients and execute our growth strategy.***

Our business depends in large part upon our ability to attract and retain sufficient numbers of highly qualified individuals who may have advanced degrees in areas such as information technology as well as appropriate security clearances. We compete for such qualified personnel with other U.S. government contractors, the U.S. government and private industry, and such competition is intense. Personnel with the requisite skills, qualifications or security clearance may be in short supply or generally unavailable. In addition, our ability to recruit, hire and internally deploy former employees of the U.S. government is subject to complex laws and regulations, which may serve as an impediment to our ability to attract such former employees, and failure to comply with these laws and regulations may expose us and our employees to civil or criminal penalties. If we are unable to recruit and retain a sufficient number of qualified employees, our ability to maintain and grow our business and to effectively service our clients could be limited and our future revenue and results of operations could be materially and adversely affected. Furthermore, to the extent that we are unable to make necessary permanent hires to appropriately service our clients, we could be required to engage larger numbers of contracted personnel, which could reduce our profit margins.

If we are able to attract sufficient numbers of qualified new hires, training and retention costs may place significant demands on our resources. In addition, to the extent that we experience attrition in our employee ranks, we may realize only a limited or no return on such invested resources, and we would have to expend additional resources to hire and train replacement employees. The loss of services of key personnel could also impair our ability to perform required services under some of our contracts and to retain such contracts, as well as our ability to win new business.

***We may fail to obtain and maintain necessary security clearances which may adversely affect our ability to perform on certain contracts.***

Many U.S. government programs require contractors to have security clearances. Depending on the level of required clearance, security clearances can be difficult and time-consuming to obtain. If we or our employees are unable to obtain or retain necessary security clearances, we may not be able to win new business, and our existing clients could terminate their contracts with us or decide not to renew them. To the extent we are not able to obtain and maintain facility security clearances or engage employees with the required security clearances for a particular contract, we may not be able to bid on or win new contracts, or effectively rebid on expiring contracts, as well as lose existing contracts, which may adversely affect our operating results and inhibit the execution of our growth strategy.

***Our profitability could suffer if we are not able to effectively utilize our professionals.***

The cost of providing our services, including the utilization rate of our professionals, affects our profitability. Our utilization rate is affected by a number of factors, including:

- our ability to transition employees from completed projects to new assignments and to hire and assimilate new employees;
- our ability to forecast demand for our services and thereby maintain headcount that is aligned with demand;
- our ability to manage attrition; and
- our need to devote time and resources to training, business development and other non-chargeable activities.



If our utilization rate is too low, our profit margin and profitability could suffer. Additionally, if our utilization rate is too high, it could have a material adverse effect on employee engagement and attrition, which would in turn have a material adverse impact on our business.

***We may lose one or more members of our senior management team or fail to develop new leaders which could cause the disruption of the management of our business.***

We believe that the future success of our business and our ability to operate profitably depends on the continued contributions of the members of our senior management and the continued development of new members of senior management. We rely on our senior management to generate business and execute programs successfully. In addition, the relationships and reputation that many members of our senior management team have established and maintain with our clients are important to our business and our ability to identify new business opportunities. We do not have any employment agreements providing for a specific term of employment with any member of our senior management. The loss of any member of our senior management or our failure to continue to develop new members could impair our ability to identify and secure new contracts, to maintain good client relations and to otherwise manage our business.

***Our employees or subcontractors may engage in misconduct or other improper activities which could harm our ability to conduct business with the U.S. government.***

We are exposed to the risk that employee or subcontractor fraud or other misconduct could occur. Misconduct by employees or subcontractors could include intentional or unintentional failures to comply with U.S. government procurement regulations, engaging in unauthorized activities or falsifying time records. Employee or subcontractor misconduct could also involve the improper use of our clients' sensitive or classified information or the failure to comply with legislation or regulations regarding the protection of sensitive or classified information. It is not always possible to deter employee or subcontractor misconduct, and the precautions we take to prevent and detect this activity may not be effective in controlling unknown or unmanaged risks or losses, which could materially harm our business. As a result of such misconduct, our employees could lose their security clearance and we could face fines and civil or criminal penalties, loss of facility clearance accreditation and suspension or debarment from contracting with the U.S. government, as well as reputational harm, which would materially and adversely affect our results of operations and financial condition.

***We face intense competition from many competitors that, among other things, have greater resources than we do.***

Our business operates in a highly competitive industry and we generally compete with a wide variety of U.S. government contractors, including large defense contractors, diversified service providers and small businesses. We also face competition from entrants into our markets including companies divested by large prime contractors in response to increasing scrutiny of Organizational Conflict of Interest, or OCI, issues. Some of these companies possess greater financial resources and larger technical staffs, and others that have smaller and more specialized staffs. These competitors could, among other things:

- divert sales from us by winning very large-scale government contracts, a risk that is enhanced by the recent trend in government procurement practices to bundle services into larger contracts;
- force us to charge lower prices in order to win or maintain contracts;
- seek to hire our employees; or
- adversely affect our relationships with current clients, including our ability to continue to win competitively awarded engagements where we are the incumbent.

If we lose business to our competitors or are forced to lower our prices or suffer employee departures, our revenue and our operating profits could decline. In addition, we may face competition from our subcontractors who, from time to time, seek to obtain prime contractor status on contracts for which they currently serve as a subcontractor to us. If one or more of our current subcontractors are awarded prime

contractor status on such contracts in the future, it could divert sales from us and could force us to charge lower prices, which could have a material adverse effect on our revenue and profitability.

***Our failure to maintain strong relationships with other contractors, or the failure of contractors with which we have entered into a sub- or prime contractor relationship to meet their obligations to us or our clients, could have a material adverse effect on our business and results of operations.***

Maintaining strong relationships with other U.S. government contractors, who may also be our competitors, is important to our business and our failure to do so could have a material adverse effect on our business, prospects, financial condition and operating results. To the extent that we fail to maintain good relations with our subcontractors or other prime contractors due to either perceived or actual performance failures or other conduct, they may refuse to hire us as a subcontractor in the future or to work with us as our subcontractor. In addition, other contractors may choose not to use us as a subcontractor or choose not to perform work for us as a subcontractor for any number of additional reasons, including because they choose to establish relationships with our competitors or because they choose to directly offer services that compete with our business.

As a prime contractor, we often rely on other companies to perform some of the work under a contract, and we expect to continue to depend on relationships with other contractors for portions of our delivery of services and revenue in the foreseeable future. If our subcontractors fail to perform their contractual obligations, our operating results and future growth prospects could be impaired. There is a risk that we may have disputes with our subcontractors arising from, among other things, the quality and timeliness of work performed by the subcontractor, client concerns about the subcontractor, our failure to extend existing task orders or issue new task orders under a subcontract, or our hiring of a subcontractor's personnel. In addition, if any of our subcontractors fail to deliver the agreed-upon supplies or perform the agreed-upon services on a timely basis, our ability to fulfill our obligations as a prime contractor may be jeopardized. Material losses could arise in future periods and subcontractor performance deficiencies could result in a client terminating a contract for default. A termination for default could expose us to liability and have an adverse effect on our ability to compete for future contracts and orders.

We estimate that revenue derived from contracts in which we acted as a subcontractor to other companies represented 13% of our revenue for fiscal 2010. As a subcontractor, we often lack control over fulfillment of a contract, and poor performance on the contract could tarnish our reputation, even when we perform as required, and could cause other contractors to choose not to hire us as a subcontractor in the future. In addition, if the U.S. government terminates or reduces other prime contractors' programs or does not award them new contracts, subcontracting opportunities available to us could decrease, which would have a material adverse effect on our financial condition and results of operations.

***We may have adverse judgments or settlements in legal disputes.***

We are subject to, and may become a party to, a variety of litigation or other claims and suits that arise from time to time in the ordinary course of our business. For example, over time, we have had disputes with current and former employees involving alleged violations of civil rights, wage and hour, and worker's compensation laws. Further, as more fully described under "Business — Legal Proceedings," six former officers and stockholders of the Predecessor who had departed the firm prior to the Acquisition have filed suits against our company and certain of our current and former directors and officers. Each of the suits arises out of the Acquisition and alleges that the former stockholders are entitled to certain payments that they would have received if they had held their stock at the time of Acquisition. The results of litigation and other legal proceedings are inherently uncertain and adverse judgments or settlements in some or all of these legal disputes may result in materially adverse monetary damages or injunctive relief against us. Any claims or litigation, even if fully indemnified or insured, could damage our reputation and make it more difficult to compete effectively or obtain adequate insurance in the future. The litigation and other claims described in this prospectus under the caption "Business — Legal Proceedings" are subject to future developments and management's view of these matters may change in the future.

***Systems that we develop, integrate or maintain could experience security breaches which may damage our reputation with our clients and hinder future contract win rates.***

Many of the systems we develop, integrate or maintain involve managing and protecting information involved in intelligence, national security and other sensitive or classified government functions. A security breach in one of these systems could cause serious harm to our business, damage our reputation and prevent us from being eligible for further work on sensitive or classified systems for U.S. government clients. We could incur losses from such a security breach that could exceed the policy limits under our professional liability insurance program. Damage to our reputation or limitations on our eligibility for additional work resulting from a security breach in one of the systems we develop, install or maintain could have a material adverse effect on our results of operations.

***Internal system or service failures could disrupt our business and impair our ability to effectively provide our services to our clients, which could damage our reputation and have a material adverse effect on our business and results of operations.***

We create, implement and maintain information technology and engineering systems, and provide services that are often critical to our clients' operations, some of which involve classified or other sensitive information and may be conducted in war zones or other hazardous environments. We are subject to systems failures, including network, software or hardware failures, whether caused by us, third-party service providers, intruders or hackers, computer viruses, natural disasters, power shortages or terrorist attacks. Any such failures could cause loss of data and interruptions or delays in our or our clients' businesses and could damage our reputation. In addition, the failure or disruption of our communications or utilities could cause us to interrupt or suspend our operations, which could have a material adverse effect on our business and results of operations.

If our systems, services or other applications have significant defects or errors, are subject to delivery delays or fail to meet our clients' expectations, we may:

- lose revenue due to adverse client reaction;
- be required to provide additional services to a client at no charge;
- receive negative publicity, which could damage our reputation and adversely affect our ability to attract or retain clients; or
- suffer claims for substantial damages.

In addition to any costs resulting from contract performance or required corrective action, these failures may result in increased costs or loss of revenue if they result in clients postponing subsequently scheduled work or canceling or failing to renew contracts.

Our errors and omissions insurance coverage may not continue to be available on reasonable terms or in sufficient amounts to cover one or more large claims, or the insurer may disclaim coverage as to some types of future claims. The successful assertion of any large claim against us could seriously harm our business. Even if not successful, these claims could result in significant legal and other costs, may be a distraction to our management and may harm our client relationships. In certain new business areas, we may not be able to obtain sufficient insurance and may decide not to accept or solicit business in these areas.

***The growth of our business entails risks associated with new relationships, clients, capabilities, service offerings and maintaining our collaborative culture.***

We are focused on growing our presence in our addressable markets by: expanding our relationships with existing clients, developing new clients by leveraging our core competencies, creating new capabilities to address our clients' emerging needs and undertaking business development efforts focused on identifying near-term developments and long-term trends that may pose significant challenges for our clients. These efforts entail inherent risks associated with innovation and competition from other participants in those areas and potential failure to help our clients respond to the challenges they face. As we attempt to develop new

relationships, clients, capabilities and service offerings, these efforts could harm our results of operations due to, among other things, a diversion of our focus and resources, actual costs and opportunity costs of pursuing these opportunities in lieu of others, and these efforts could be unsuccessful. In addition, our ability to grow our business by leveraging our operating model to efficiently and effectively deploy our people across our client base is largely dependent on our ability to maintain our collaborative culture. To the extent that we are unable to maintain our culture for any reason, we may be unable to grow our business. Any such failure could have a material adverse effect on our business and results of operations.

***We and our subsidiaries may incur debt in the future, which could substantially reduce our profitability, limit our ability to pursue certain business opportunities, and reduce the value of your investment.***

In connection with the Acquisition and the Recapitalization Transaction and as a result of our business activities, we have incurred a substantial amount of debt. As of March 31, 2010, on a pro forma basis after giving effect to this offering and the use of the net proceeds therefrom as described in "Use of Proceeds," we would have had approximately \$ million of debt outstanding. The instruments governing our indebtedness may not prevent us or our subsidiaries from incurring additional debt in the future or other obligations that do not constitute indebtedness, which could increase the risks described below and lead to other risks. In addition, we may, at our option and subject to certain closing conditions including pro forma compliance with financial covenants, increase the borrowing capacity under our Senior Credit Facilities without the consent of any person other than the institutions agreeing to provide all or any portion of such increase, to an amount not to exceed \$100 million. The amount of our debt or such other obligations could have important consequences for holders of our Class A common stock, including, but not limited to:

- our ability to satisfy obligations to lenders may be impaired, resulting in possible defaults on and acceleration of our indebtedness;
- our ability to obtain additional financing for refinancing of existing indebtedness, working capital, capital expenditures, product and service development, acquisitions, general corporate purposes, and other purposes may be impaired;
- a substantial portion of our cash flow from operations could be dedicated to the payment of the principal and interest on our debt;
- we may be increasingly vulnerable to economic downturns and increases in interest rates;
- our flexibility in planning for and reacting to changes in our business and the industry may be limited; and
- we may be placed at a competitive disadvantage relative to other firms in our industry.

***Our Credit Facilities contain financial and operating covenants that limit our operations and could lead to adverse consequences if we fail to comply with them.***

Our Credit Facilities contain financial and operating covenants relating to, among other things, interest coverage and leverage ratios, as well as limitations on mergers, consolidations and dissolutions, sales of assets, investments and acquisitions, indebtedness and liens, dividends, repurchase of shares of capital stock and options to purchase shares of capital stock, transactions with affiliates, sale and leaseback transactions, and restricted payments. Failure to meet these financial and operating covenants could result from, among other things, changes in our results of operations, the incurrence of debt, or changes in general economic conditions, which may be beyond our control. These covenants may restrict our ability to engage in transactions that we believe would otherwise be in the best interests of our stockholders, which could harm our business and operations.

**Many of our contracts with the U.S. government are classified or subject to other security restrictions, which may limit investor insight into portions of our business.**

For fiscal 2010, we derived a substantial portion of our revenue from contracts with the U.S. government that are classified or subject to security restrictions which preclude the dissemination of certain information. Because we are limited in our ability to provide details about these contracts, their risks or any dispute or claims relating to such contracts, you will have less insight into certain portions of our business and therefore may be less able to fully evaluate the risks related to those portions of our business.

**Our business may be adversely affected if we cannot collect our receivables.**

We depend on the timely collection of our receivables to generate cash flow, provide working capital and continue our business operations. If the U.S. government or any prime contractor for whom we are a subcontractor fails to pay or delays the payment of invoices for any reason, our business and financial condition may be materially and adversely affected. The U.S. government may delay or fail to pay invoices for a number of reasons, including lack of appropriated funds, lack of an approved budget, or as a result of audit findings by government regulatory agencies. Some prime contractors for whom we are a subcontractor have significantly fewer financial resources than we do, which may increase the risk that we may not be paid in full or that payment may be delayed.

**Recent efforts by the U.S. government to revise its organizational conflict of interest rules could adversely affect our results of operations.**

Recent efforts by the U.S. government to reform its procurement practices have focused, among other areas, on the separation of certain types of work to facilitate objectivity and avoid or mitigate OCIs and strengthening regulations governing OCIs. OCIs may arise from circumstances in which a contractor has:

- impaired objectivity;
- unfair access to non-public information; or
- the ability to set the “ground rules” for another procurement for which the contractor competes.

A focus on OCI issues has resulted in legislation and a proposed regulation aimed at increasing OCI requirements, including, among other things, separating sellers of products and providers of advisory services in major defense acquisition programs. In addition, we expect the U.S. government to adopt a FAR rule to address OCI issues that will apply to all government contractors, including us, in Department of Defense and other procurements. A future FAR rule may also increase the restrictions in current OCI regulations and rules. To the extent that proposed and future OCI laws, regulations, and rules, limit our ability to successfully compete for new contracts or task orders with the U.S. government, either because of OCI issues arising from our business, or because companies with which we are affiliated, including through Carlyle, or with which we otherwise conduct business, create OCI issues for us, our results of operations could be materially and adversely affected.

**Acquisitions could result in operating difficulties or other adverse consequences to our business.**

As part of our future operating strategy, we may choose to selectively pursue acquisitions. This could pose many risks, including:

- we may not be able to identify suitable acquisition candidates at prices we consider attractive;
- we may not be able to compete successfully for identified acquisition candidates, complete acquisitions or accurately estimate the financial effect of acquisitions on our business;
- future acquisitions may require us to issue common stock or spend significant cash, resulting in dilution of ownership or additional debt leverage;
- we may have difficulty retaining an acquired company’s key employees or clients;

- we may have difficulty integrating acquired businesses, resulting in unforeseen difficulties, such as incompatible accounting, information management, or other control systems, and greater expenses than expected;
- acquisitions may disrupt our business or distract our management from other responsibilities;
- as a result of an acquisition, we may incur additional debt and we may need to record write-downs from future impairments of intangible assets, each of which could reduce our future reported earnings; and
- we may have difficulty integrating personnel from the acquired company with our people and our core values.

In connection with any acquisition that we make, there may be liabilities that we fail to discover or that we inadequately assess, and we may fail to discover any failure of a target company to have fulfilled its contractual obligations to the U.S. government or other clients. Acquired entities may not operate profitably or result in improved operating performance. Additionally, we may not realize anticipated synergies, business growth opportunities, cost savings and other benefits we anticipate, which could have a material adverse effect on our business and results of operations.

#### **Risks Related to Our Industry**

***Our U.S. government contracts may be terminated by the government at any time and may contain other provisions permitting the government to discontinue contract performance, and if lost contracts are not replaced, our operating results may differ materially and adversely from those anticipated.***

U.S. government contracts contain provisions and are subject to laws and regulations that provide government clients with rights and remedies not typically found in commercial contracts. These rights and remedies allow government clients, among other things, to:

- terminate existing contracts, with short notice, for convenience as well as for default;
- reduce orders under or otherwise modify contracts;
- for contracts subject to the Truth in Negotiations Act, reduce the contract price or cost where it was increased because a contractor or subcontractor furnished cost or pricing data during negotiations that was not complete, accurate and current;
- for some contracts, (i) demand a refund, make a forward price adjustment or terminate a contract for default if a contractor provided inaccurate or incomplete data during the contract negotiation process and (ii) reduce the contract price under certain triggering circumstances, including the revision of price lists or other documents upon which the contract award was predicated;
- terminate our facility security clearances and thereby prevent us from receiving classified contracts;
- cancel multi-year contracts and related orders if funds for contract performance for any subsequent year become unavailable;
- decline to exercise an option to renew a multi-year contract or issue task orders in connection with ID/IQ contracts;
- claim rights in solutions, systems and technology produced by us;
- prohibit future procurement awards with a particular agency due to a finding of OCI based upon prior related work performed for the agency that would give a contractor an unfair advantage over competing contractors, or the existence of conflicting roles that might bias a contractor's judgment;
- subject the award of contracts to protest by competitors, which may require the contracting federal agency or department to suspend our performance pending the outcome of the protest and may also result in a requirement to resubmit offers for the contract or in the termination, reduction or modification of the awarded contract; and

- suspend or debar us from doing business with the U.S. government.

If a U.S. government client were to unexpectedly terminate, cancel or decline to exercise an option to renew with respect to one or more of our significant contracts, or suspend or debar us from doing business with the U.S. government, our revenue and operating results would be materially harmed.

***The U.S. government may revise its procurement, contract or other practices in a manner adverse to us.***

The U.S. government may:

- revise its procurement practices or adopt new contract laws, rules and regulations, such as cost accounting standards, OCI and other rules governing inherently governmental functions at any time;
- face restrictions or pressure from government employees and their unions regarding the amount of services the U.S. government may obtain from private contractors;
- award contracts on a technically acceptable/lowest cost basis in order to reduce expenditures, and we may not be the lowest cost provider of services;
- change the basis upon which it reimburses our compensation and other expenses or otherwise limit such reimbursements; and
  - at its option, terminate or decline to renew our contracts.

In addition, any new contracting methods could be costly or administratively difficult for us to implement and could adversely affect our future revenue. Any such changes to the U.S. government's procurement practices or the adoption of new contracting rules or practices could impair our ability to obtain new or re-compete contracts and any such changes or increased associated costs could materially and adversely affect our results of operations.

***The U.S. government may prefer minority-owned, small and small disadvantaged businesses, therefore, we may not win contracts we bid for.***

As a result of the Small Business Administration, or SBA, set-aside program, the U.S. government may decide to restrict certain procurements only to bidders that qualify as minority-owned, small or small disadvantaged businesses. As a result, we would not be eligible to perform as a prime contractor on those programs and would be restricted to a maximum of 49% of the work as a subcontractor on those programs. An increase in the amount of procurements under the SBA set-aside program may impact our ability to bid on new procurements as a prime contractor or restrict our ability to re-compete on incumbent work that is placed in the set-aside program.

***Our contracts, performance and administrative processes and systems are subject to audits, reviews, investigations and cost adjustments by the U.S. government, which could reduce our revenue, disrupt our business or otherwise materially adversely affect our results of operations.***

U.S. government agencies routinely audit, review and investigate government contracts and government contractors' administrative processes and systems. These agencies review our performance on contracts, pricing practices, cost structure and compliance with applicable laws, regulations and standards, including applicable government cost accounting standards. They also review our compliance with government regulations and policies and the Defense Contract Audit Agency, or the DCAA, audits, among other areas, the adequacy of our internal control systems and policies, including our purchasing, property, estimating, compensation and management information systems. In particular, over time the DCAA has increased and may continue to increase the proportion of employee compensation that it deems unallowable and the size of the employee population whose compensation is disallowed, which will continue to materially and adversely affect our results of operations or financial condition. Any costs found to be unallowable under a contract will not be reimbursed, and any such costs already reimbursed must be refunded. Moreover, if any of the administrative processes and systems are found not to comply with government imposed requirements, we may be subjected to increased government scrutiny and approval that could delay or otherwise adversely affect

our ability to compete for or perform contracts. Unfavorable U.S. government audit, review or investigation results could subject us to civil or criminal penalties or administrative sanctions, and could harm our reputation and relationships with our clients and impair our ability to be awarded new contracts. For example, if our invoicing system were found to be inadequate following an audit by the DCAA, our ability to directly invoice U.S. government payment offices could be eliminated. As a result, we would be required to submit each invoice to the DCAA for approval prior to payment, which could materially increase our accounts receivable days sales outstanding and adversely affect our cash flow. An unfavorable outcome to an audit, review or investigation by any U.S. government agency could materially and adversely affect our relationship with the U.S. government. If a government investigation uncovers improper or illegal activities, we may be subject to civil and criminal penalties and administrative sanctions, including termination of contracts, forfeitures of profits, suspension of payments, fines and suspension or debarment from doing business with the U.S. government. In addition, we could suffer serious reputational harm if allegations of impropriety were made against us. Provisions that we have recorded in our financial statements as a compliance reserve may not cover actual losses. Each of these results could materially and adversely affect our results of operations or financial condition.

***There may be a delay in the completion of the U.S. government's budget process.***

On an annual basis, the U.S. Congress must approve budgets that govern spending by each of the federal agencies we support. When the U.S. Congress is unable to agree on budget priorities, and thus is unable to pass the annual budget on a timely basis, the U.S. Congress typically enacts a continuing resolution. A continuing resolution allows government agencies to operate at spending levels approved in the previous budget cycle. When government agencies operate on the basis of a continuing resolution, they may delay funding we expect to receive on contracts we are already performing. Any such delays would likely result in new business initiatives being delayed or cancelled and a reduction in our backlog, and could have a material adverse effect on our revenue and operating results.

**Risks Related to Our Common Stock and This Offering**

***Booz Allen Holding is a holding company with no operations of its own that depends on its subsidiaries for cash.***

The operations of Booz Allen Holding are conducted almost entirely through its subsidiaries and its ability to generate cash to meet its debt service obligations or to pay dividends is highly dependent on the earnings and the receipt of funds from its subsidiaries via dividends or intercompany loans. We do not currently expect to declare or pay dividends on our Class A common stock for the foreseeable future; however, to the extent that we determine in the future to pay dividends on our Class A common stock, none of our subsidiaries will be obligated to make funds available to us for the payment of dividends. Further, the Credit Facilities significantly restrict the ability of our subsidiaries to pay dividends or otherwise transfer assets to us. In addition, Delaware law may impose requirements that may restrict our ability to pay dividends to holders of our common stock.

***Our principal stockholder could exert significant influence over our company.***

As of March 31, 2010, Carlyle, through Coinvest, owned in the aggregate shares representing 81% of our outstanding voting power. After completion of this offering, Carlyle will own in the aggregate shares representing % of our outstanding voting power, or % if the underwriters exercise their over-allotment option in full. As a result, Carlyle will have a controlling influence over all matters presented to our stockholders for approval, including election and removal of our directors and change of control transactions.

In addition, Coinvest is a party to a stockholders agreement, or the Stockholders Agreement, pursuant to which Carlyle currently has the ability to cause the election of a majority of our Board. Under the terms of the Amended and Restated Stockholders Agreement to be entered into in connection with this offering, Carlyle will continue to have the right to nominate a majority of the members of our Board and to exercise control over matters requiring stockholder approval and our policy and affairs, for example, by being able to direct the



use of proceeds received from this and future security offerings. See “Certain Relationships and Related Party Transactions — Stockholders Agreement.” In addition, following the consummation of this offering, we will be a “controlled company” within the meaning of applicable stock exchange rules and, as a result, currently intend to rely on exemptions from certain corporate governance requirements. The concentrated holdings of funds affiliated with Carlyle, certain provisions of the Amended and Restated Stockholders Agreement to be entered into prior to the completion of this offering and the presence of Carlyle’s nominees on our Board may result in a delay or the deterrence of possible changes in control of our company, which may reduce the market price of our common stock. The interests of Carlyle may not always coincide with the interests of the other holders of our common stock.

Carlyle is in the business of making investments in companies, and may from time to time in the future acquire controlling interests in businesses engaged in management and technology consulting that complement or directly or indirectly compete with certain portions of our business. If Carlyle pursues such acquisitions in our industry, those acquisition opportunities may not be available to us. In addition, to the extent that Carlyle acquires a controlling interest in one or more companies that provide services or products to the U.S. government, our affiliation with any such company through Carlyle could create OCI and similar issues for us under federal procurement laws and regulations. See “— Risk Related to Our Business — Recent efforts by the U.S. government to revise its organizational conflicts of interest rules could adversely affect our results of operations.” We urge you to read the discussions under the headings “Certain Relationships and Related Party Transactions” and “Security Ownership of Certain Beneficial Owners and Management” for further information about the equity interests held by Carlyle and members of our senior management.

***Investors in this offering will experience immediate dilution in net tangible book value per share.***

The initial public offering price per share will significantly exceed the net tangible book value per share of our common stock. As a result, investors in this offering will experience immediate dilution of \$ \_\_\_\_\_ in net tangible book value per share based on an initial public offering price of \$ \_\_\_\_\_, which is the midpoint of the price range set forth on the cover page of this prospectus. This dilution occurs in large part because our earlier investors paid substantially less than the initial public offering price when they purchased their shares. Investors in this offering may also experience additional dilution as a result of shares of Class A common stock that may be issued in connection with a future acquisition. Accordingly, in the event that we are liquidated, investors may not receive the full amount or any of their investment.

***Our financial results may vary significantly from period to period as a result of a number of factors many of which are outside our control, which could cause the market price of our Class A common stock to decline.***

Our financial results may vary significantly from period to period in the future as a result of many external factors that are outside of our control. Factors that may affect our financial results include those listed in this “Risk Factors” section and others such as:

- any cause of reduction or delay in U.S. government funding (e.g., changes in presidential administrations that delay timing of procurements);
- fluctuations in revenue earned on existing contracts;
- commencement, completion or termination of contracts during a particular period;
- a potential decline in our overall profit margins if our other direct costs and subcontract revenue grow at a faster rate than labor-related revenue;
- strategic decisions by us or our competitors, such as changes to business strategy, strategic investments, acquisitions, divestitures, spin offs and joint ventures;
- a change in our contract mix to less profitable contracts;
- changes in policy or budgetary measures that adversely affect U.S. government contracts in general;

- variable purchasing patterns under U.S. government GSA schedules, blanket purchase agreements, which are agreements that fulfill repetitive needs under GSA schedules, and ID/IQ contracts;
- changes in demand for our services and solutions;
- fluctuations in our staff utilization rates;
- seasonality associated with the U.S. government's fiscal year;
- an inability to utilize existing or future tax benefits, including those related to our NOLs or stock-based compensation expense, for any reason, including a change in law;
- alterations to contract requirements; and
- adverse judgments or settlements in legal disputes.

A decline in the price of our Class A common stock due to any one or more of these factors could cause the value of your investment to decline.

***A majority of our outstanding indebtedness is secured by substantially all of our consolidated assets. As a result of these security interests, such assets would only be available to satisfy claims of our general creditors or to holders of our equity securities if we were to become insolvent to the extent the value of such assets exceeded the amount of our indebtedness and other obligations. In addition, the existence of these security interests may adversely affect our financial flexibility.***

Indebtedness under our Senior Credit Facilities is secured by a lien on substantially all of our assets. Accordingly, if an event of default were to occur under our Senior Credit Facilities, the senior secured lenders under such facilities would have a prior right to our assets, to the exclusion of our general creditors in the event of our bankruptcy, insolvency, liquidation or reorganization. In that event, our assets would first be used to repay in full all indebtedness and other obligations secured by them (including all amounts outstanding under our Senior Credit Facilities), resulting in all or a portion of our assets being unavailable to satisfy the claims of our unsecured indebtedness. Only after satisfying the claims of our unsecured creditors and our subsidiaries' unsecured creditors would any amount be available for our equity holders. The pledge of these assets and other restrictions may limit our flexibility in raising capital for other purposes. Because substantially all of our assets are pledged under these financing arrangements, our ability to incur additional secured indebtedness or to sell or dispose of assets to raise capital may be impaired, which could have an adverse effect on our financial flexibility. As of March 31, 2010, we had \$1.0 billion of indebtedness outstanding under our Senior Credit Facilities and had \$222.4 million of capacity available for additional borrowings under the revolving portion of our Senior Credit Facilities (excluding the \$21.3 million commitment by the successor entity to Lehman Brothers Commercial Bank). In addition, we may, at our option and subject to certain closing conditions including pro forma compliance with financial covenants, increase the Senior Credit Facilities without the consent of any person other than the institutions agreeing to provide all or any portion of such increase, in an amount not to exceed \$100.0 million. See "Description of Certain Indebtedness — Senior Credit Facilities — Guarantees; Security."

***Our Class A common stock has no prior public market, and our stock price could be volatile and could decline after this offering.***

Before this offering, our Class A common stock had no public market. We will negotiate the initial public offering price per share with the representatives of the underwriters and, therefore, that price may not be indicative of the market price of our common stock after the offering. We cannot assure you that an active public market for our Class A common stock will develop after this offering or if it does develop, it may not be sustained. In the absence of a public trading market, you may not be able to liquidate your investment in our common stock. In addition, the market price of our common stock could be subject to significant fluctuations after this offering. Among the factors that could affect our stock price are:

- quarterly variations in our operating results;
- changes in contract revenue and earnings estimates or publication of research reports by analysts;

- speculation in the press or investment community;
- investor perception of us and our industry;
- strategic actions by us or our competitors, such as significant contracts, acquisitions or restructurings;
- actions by institutional stockholders or other large stockholders, including future sales;
- our relationship with U.S. government agencies;
- changes in U.S. government spending;
- changes in accounting principles; and
- general economic market conditions.

In particular, we cannot assure you that you will be able to resell your shares at or above the initial public offering price. The stock markets have experienced extreme volatility in recent years that has been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of our Class A common stock. In the past, following periods of volatility in the market price of a company's securities, class action litigation has often been instituted against the company. Any litigation of this type brought against us could result in substantial costs and a diversion of our management's attention and resources, which would harm our business, operating results and financial condition.

***Fulfilling our obligations incident to being a public company, including with respect to the requirements of and related rules under the Sarbanes Oxley Act of 2002, will be expensive and time consuming and any delays or difficulty in satisfying these obligations could have a material adverse effect on our future results of operations and our stock price.***

As a private company, we have not been subject to the requirements of the Sarbanes-Oxley Act of 2002. As a public company, the Sarbanes-Oxley Act of 2002 and the related rules and regulations of the Securities and Exchange Commission, or the SEC, as well as applicable stock exchange rules, will require us to implement additional corporate governance practices and adhere to a variety of reporting requirements and complex accounting rules. Compliance with these public company obligations will require us to devote significant management time and will place significant additional demands on our finance and accounting staff and on our financial, accounting and information systems. We expect to hire additional accounting and financial staff with appropriate public company reporting experience and technical accounting knowledge. Other expenses associated with being a public company include increased auditing, accounting and legal fees and expenses, investor relations expenses, increased directors' fees and director and officer liability insurance costs, registrar and transfer agent fees, listing fees, as well as other expenses.

In particular, upon completion of this offering, the Sarbanes-Oxley Act of 2002 will require us to document and test the effectiveness of our internal control over financial reporting in accordance with an established internal control framework, and to report on our conclusions as to the effectiveness of our internal controls. It will also require an independent registered public accounting firm to test our internal control over financial reporting and report on the effectiveness of such controls for fiscal 2012 and subsequent years. In addition, upon completion of this offering, we will be required under the Securities Exchange Act of 1934, as amended, or the Exchange Act, to maintain disclosure controls and procedures and internal control over financial reporting. Any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our operating results or cause us to fail to meet our reporting obligations. If we are unable to conclude that we have effective internal control over financial reporting, or if our independent registered public accounting firm is unable to provide us with an unqualified report regarding the effectiveness of our internal control over financial reporting as of March 31, 2012 and in future periods, investors could lose confidence in the reliability of our financial statements. This could result in a decrease in the value of our common stock. Failure to comply with the Sarbanes-Oxley Act of 2002 could potentially subject us to sanctions or investigations by the SEC, the exchange on which our Class A common stock is listed, or other regulatory authorities.

***Provisions in our organizational documents and in the Delaware General Corporation Law may prevent takeover attempts that could be beneficial to our stockholders.***

We have, and intend to include, effective as of the consummation of the offering, a number of provisions in our certificate of incorporation and bylaws that may have the effect of delaying, deterring, preventing or rendering more difficult a change in control of Booz Allen Holding that our stockholders might consider in their best interests. These provisions include:

- establishment of a classified Board, with staggered terms;
- granting to the Board the sole power to set the number of directors and to fill any vacancy on the Board;
- limitations on the ability of stockholders to remove directors if a “group,” as defined under Section 13(d)(3) of the Exchange Act, ceases to own more than 50% of our voting common stock;
- granting to the Board the ability to designate and issue one or more series of preferred stock without stockholder approval, the terms of which may be determined at the sole discretion of the Board;
- a prohibition on stockholders from calling special meetings of stockholders;
- the establishment of advance notice requirements for stockholder proposals and nominations for election to the Board at stockholder meetings;
- requiring approval of two-thirds of stockholders to amend the bylaws; and
- prohibiting our stockholders from acting by written consent if a “group” ceases to own more than 50% of our voting common stock.

These provisions may prevent our stockholders from receiving the benefit from any premium to the market price of our common stock offered by a bidder in a takeover context. Even in the absence of a takeover attempt, the existence of these provisions may adversely affect the prevailing market price of our common stock if the provisions are viewed as discouraging takeover attempts in the future. In addition, we expect to opt out of Section 203 of the Delaware General Corporation Law, which would have otherwise imposed additional requirements regarding mergers and other business combinations, until Coinvest and its affiliates no longer own more than % of our Class A common stock. After such time, we will be governed by Section 203.

Our amended and restated certificate of incorporation and amended and restated by-laws may also make it difficult for stockholders to replace or remove our management. These provisions may facilitate management entrenchment that may delay, deter, render more difficult or prevent a change in our control, which may not be in the best interests of our stockholders.

See “Description of Capital Stock” for additional information on the anti-takeover measures applicable to us.

***Sales of outstanding shares of our common stock into the market in the future could cause the market price of our common stock to drop significantly.***

Immediately following this offering, Carlyle will own \_\_\_\_\_ shares of our Class A common stock, or \_\_\_\_\_ % of our outstanding Class A common stock. If the underwriters exercise their over-allotment option in full, Carlyle will own \_\_\_\_\_ % of our outstanding Class A common stock. If Carlyle sells, or the market perceives that Carlyle intends to sell, a substantial portion of its beneficial ownership interest in us in the public market, the market price of our Class A common stock could decline significantly. The sales also could make it more difficult for us to sell equity or equity-related securities at a time and price that we deem appropriate.

After this offering, \_\_\_\_\_ shares of our Class A common stock will be outstanding. Of these shares, \_\_\_\_\_ shares of our Class A common stock sold in this offering will be freely tradable, without restriction, in the public market unless purchased by our “affiliates” (as that term is defined by Rule 144 under the Securities Act of 1933, or Securities Act) and all of the remaining shares of Class A common stock, as well as

outstanding shares of our Class B non-voting common stock, Class C restricted common stock and Class E special voting common stock, subject to certain exceptions, will be subject to a 180-day lock-up by virtue of either contractual lock-up agreements or pursuant to the terms of the Amended and Restated Stockholders Agreement. Morgan Stanley & Co. Incorporated and Barclays Capital Inc. may, in their discretion, permit our directors, officers and current stockholders who are subject to these lock-ups to sell shares prior to the expiration of the 180-day lock-up period. See “Shares of Common Stock Eligible for Future Sale — Lock-Up Agreements.” After the lock-up agreements pertaining to this offering expire, up to an additional        shares of our Class A common stock will be eligible for sale in the public market, all of which are held by directors, executive officers and other affiliates and will be subject to volume and holding period limitations under Rule 144 under the Securities Act. The remaining        shares of Class A common stock outstanding will be restricted securities within the meaning of Rule 144 under the Securities Act, but will be eligible for resale subject to applicable volume, manner of sale, holding period and other limitations of Rule 144 or pursuant to an exemption from registration under Rule 701 under the Securities Act. After the lock-up agreements relating to this offering expire,        shares of our Class A common stock will be issuable upon (1) transfer of our Class B non-voting common stock and Class C restricted common stock and (2) the exercise of outstanding stock options relating to our outstanding Class E special voting common stock. In addition, the        shares of our Class A common stock underlying options that are either subject to the terms of our equity compensation plans or reserved for future issuance under our equity compensation plans will become eligible for sale in the public market to the extent permitted by the provisions of various option agreements, the lock-up agreements and Rules 144 and 701 under the Securities Act to the extent such shares are not otherwise registered for sale under the Securities Act. If these additional shares are sold, or if it is perceived that they will be sold, in the public market, the price of our common stock could decline substantially. For additional information, see “Shares of Common Stock Eligible for Future Sale.”

### SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, including the sections entitled "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business," contains forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "could," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue," or the negative of these terms or other comparable terminology. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we can give you no assurance these expectations will prove to have been correct. These forward-looking statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These risks and other factors include:

- any issue that compromises our relationships with the U.S. government or damages our professional reputation;
- changes in U.S. government spending and mission priorities that shift expenditures away from agencies or programs that we support;
- the size of our addressable markets and the amount of U.S. government spending on private contractors;
- failure to comply with numerous laws and regulations;
- our ability to compete effectively in the competitive bidding process;
- the loss of GSA schedules or our position as prime contractor on GWACs;
- changes in the mix of our contracts and our ability to accurately estimate or otherwise recover expenses, time and resources for our contracts;
- our ability to generate revenue under certain of our contracts and our ability to realize the full value of our backlog;
- changes in estimates used in recognizing revenue;
- any inability to attract, train or retain employees with the requisite skills, experience and security clearances;
- an inability to hire enough employees to service our clients under existing contracts;
- an inability to effectively utilize our employees and professionals;
- failure by us or our employees to obtain and maintain necessary security clearances;
- the loss of members of senior management or failure to develop new leaders;
- misconduct or other improper activities from our employees or subcontractors;
- increased competition from other companies in our industry;
- failure to maintain strong relationships with other contractors;
- inherent uncertainties and potential adverse developments in legal proceedings, including litigation, audits, reviews and investigations, which may result in materially adverse judgments, settlements or other unfavorable outcomes;
- internal system or service failures and security breaches;
- risks related to our indebtedness and Credit Facilities which contain financial and operating covenants;
- the adoption by the U.S. government of new laws, rules and regulations, such as those relating to OCI issues;

- an inability to utilize existing or future tax benefits, including those related to our NOLs and stock-based compensation expense, for any reason, including a change in law;
- variable purchasing patterns under U.S. government GSA schedules, blanket purchase agreements and ID/IQ contracts; and
- other risks and factors listed under “Risk Factors” and elsewhere in this prospectus.

In light of these risks, uncertainties and other factors, the forward-looking statements contained in this prospectus might not prove to be accurate and you should not place undue reliance upon them. All forward-looking statements speak only as of the date made and we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

#### USE OF PROCEEDS

We estimate that the net proceeds from the sale of shares of our Class A common stock being offered by us pursuant to this prospectus at an assumed initial offering price of \$ per share, the midpoint of the range set forth on the cover page of this prospectus, will be approximately \$ million, after deducting estimated underwriting discounts, commissions and estimated offering expenses payable by us.

We intend to use the net proceeds we receive from the sale of our Class A common stock to repay \$ million of the Mezzanine Credit Facility and pay a \$ prepayment penalty related to our repayment under the Mezzanine Credit Facility. The Mezzanine Credit Facility was entered into in connection with the Acquisition and amended in connection with the Recapitalization Transaction. The Mezzanine Credit Facility consists of a term loan facility in an aggregate principal amount of up to \$550.0 million that matures on July 31, 2016. On July 31, 2008, we borrowed \$550.0 million under the Mezzanine Credit Facility. As of March 31, 2010, borrowings under the Mezzanine Credit Facility bore an interest rate at 13%. Certain of the underwriters of this offering or their affiliates are lenders under the Mezzanine Credit Facility. Accordingly, certain of the underwriters will receive net proceeds from this offering in connection with the repayment of the Mezzanine Credit Facility. See "Underwriting."

A \$1.00 increase (decrease) in the assumed initial public offering price of \$ per share would increase (decrease) the net proceeds to us from this offering by \$ , assuming the number of shares offered by us remains the same and after deducting estimated underwriting discounts and commission and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. Each increase (decrease) of 1.0 million shares in the number of shares offered by us, together with a concomitant \$1.00 increase (decrease) in the assumed offering price of \$ per share, would increase (decrease) net proceeds to us from this offering by \$ million, after deducting estimated underwriting discounts and commission and estimated offering expenses payable by us. The information discussed above is illustrative only and will adjust based on the actual public offering price and other terms of this offering determined at pricing.



#### DIVIDEND POLICY

We do not currently expect to declare or pay dividends on our Class A common stock for the foreseeable future. Instead, we anticipate that all of our earnings in the foreseeable future will be used for the operation and growth of our business. Our ability to pay dividends to holders of our Class A common stock is limited by covenants in the credit agreements governing our Senior Credit Facilities and our Mezzanine Credit Facility. Any future determination to pay dividends on our Class A common stock is subject to the discretion of our Board and will depend upon various factors then existing, including our results of operations, financial condition, liquidity requirements, restrictions that may be imposed by applicable laws and our contracts, as well as economic and other factors deemed relevant by our Board. To the extent that the Board declares any future dividends, holders of Class A common stock, Class B non-voting common stock, and Class C restricted common stock will share the dividend payment equally.

On July 27, 2009, we declared a special cash dividend on all issued and outstanding shares of Class A common stock, Class B non-voting common stock, and Class C restricted common stock in the aggregate amount of \$114.9 million payable to holders of record as of July 29, 2009. On December 7, 2009, we declared another special cash dividend on all issued and outstanding shares to the same equity classes described above in the aggregate amount of \$497.5 million payable to the holders of record as of December 8, 2009. Of these amounts, approximately \$548.0 million was paid to Coinvest according to its ownership of our Class A common stock. See "The Acquisition and Recapitalization Transaction." We do not currently intend to declare or pay any similar special dividends in the foreseeable future.

## CAPITALIZATION

The following table sets forth our capitalization on a consolidated basis as of March 31, 2010:

- on an actual basis; and
- on a pro forma as adjusted basis to give effect to the sale by us of      shares of our Class A common stock in this offering at the initial public offering price of \$      per share (and after deducting estimated underwriting discounts and commissions and offering expenses payable by us) and the use of the net proceeds therefrom as described in “Use of Proceeds.”

The table below excludes the Class D merger rolling common stock, par value \$0.01, and the Class F non-voting restricted common stock, par value \$0.01, each of which had 600,000 authorized shares and no shares issued and outstanding as of March 31, 2010. Our amended and restated certificate of incorporation, which will become effective prior to the completion of this offering, will eliminate the Class D merger rolling common stock and the Class F non-voting restricted common stock.

You should read this table in conjunction with the sections of this prospectus entitled “Selected Historical Consolidated Financial and Other Data,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Description of Certain Indebtedness” and our financial statements and related notes included elsewhere in this prospectus.

	As of March 31, 2010	
	Actual	Pro Forma as Adjusted
	(In thousands, except share and per share amounts)	
Cash and cash equivalents	\$ 307,835	\$
Debt(1)	\$ 1,626,782	\$
Stockholders’ equity:		
Class A common stock, par value \$0.01 per share: (i) Actual: 16,000,000 shares authorized and 10,292,290 shares issued and outstanding and (ii) Pro forma as adjusted:      shares authorized and      shares issued and outstanding	\$	\$ 103
Class B non-voting common stock, par value \$0.01 per share: (i) Actual: 16,000,000 shares authorized and 235,020 shares issued and outstanding and (ii) Pro forma as adjusted:      shares authorized and      shares issued and outstanding		2
Class C restricted common stock, par value \$0.01 per share: (i) Actual: 600,000 shares authorized and 202,827 shares issued and outstanding and (ii) Pro forma as adjusted:      shares authorized and      shares issued and outstanding		2
Class E special voting common stock, par value \$0.03 per share: (i) Actual: 2,500,000 shares authorized and 1,334,558 shares issued and outstanding and (ii) Pro forma as adjusted:      shares authorized and      shares issued and outstanding		40
Preferred Stock, par value \$0.01 per share: (i) Actual: 600,000 shares authorized and no shares issued and outstanding and (ii) Pro forma as adjusted:      shares authorized and no shares issued and outstanding		—
Additional paid-in capital(2)		526,618
Accumulated deficit		(13,364)
Accumulated other comprehensive income (loss)		(3,818)
Total stockholders’ equity(2)	\$ 509,583	\$
Total capitalization(2)	\$ 2,136,365	\$

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(1) Debt reflects (i) long-term debt, net of current portion of \$21.9 million and (ii) the Deferred Payment Obligation.

Long-term debt, net of current portion includes borrowings under the Senior Credit Facilities and the Mezzanine Credit Facility. For a description of these facilities, see “Description of Certain Indebtedness.” Loans under the Senior Credit Facilities and the Mezzanine Credit Facility were issued with original issue discount and are presented net of unamortized discount of \$19.2 million as of March 31, 2010.

The \$80.0 million Deferred Payment Obligation is comprised of a \$17.6 million Deferred Payment Obligation balance as of March 31, 2010, and contingent tax claims in the amount of \$62.4 million related to the Deferred Payment Obligation, but does not include \$2.4 million of accrued interest related to the Deferred Payment Obligation. See “The Acquisition and Recapitalization Transaction — The Acquisition — The Merger.”

(2) A \$1.00 increase (decrease) in the assumed initial public offering price of \$ per share would increase (decrease) each of additional paid-in capital, total stockholders’ equity and total capitalization by \$ , assuming the number of shares offered by us remains the same and after deducting estimated underwriting discounts and commission and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. Each increase (decrease) of 1.0 million shares in the number of shares offered by us, together with a concomitant \$1.00 increase (decrease) in the assumed offering price of \$ per share, would increase (decrease) the as adjusted amount of each of additional paid-in capital, total stockholders’ equity and total capitalization by approximately \$ million. The as adjusted information discussed above is illustrative only and will adjust based on the actual public offering price and other terms of this offering determined at pricing.

## DILUTION

If you invest in our Class A common stock, your interest will be diluted to the extent of the difference between the initial public offering price per share of our Class A common stock and the adjusted net tangible book value per share of our Class A common stock, Class B non-voting common stock and Class C restricted common stock immediately after this offering.

Net tangible book value (deficit) per share represents the amount of total book value of our total tangible assets less our total liabilities divided by the number of shares of our Class A common stock then outstanding. The net tangible book value of our Class A common stock, Class B non-voting common stock and Class C restricted common stock as of March 31, 2010 was a deficit of \$ million, or approximately \$ per share.

After giving effect to the issuance and sale of shares of our Class A common stock offered by us at the initial public offering price of \$ , which is the midpoint of the range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma net tangible book value of our Class A common stock, Class B non-voting common stock and Class C restricted common stock after this offering would have been approximately \$ million, or approximately \$ per share. This represents an immediate increase in net tangible book value (deficit) of approximately \$ per share to existing stockholders and an immediate dilution of approximately \$ per share to new investors purchasing shares in this offering.

A \$1.00 increase (decrease) in the assumed initial public offering price of \$ per share, the midpoint of the range set forth on the cover of this prospectus, would increase (decrease) our adjusted net tangible book value after this offering by \$ and increase (decrease) the dilution to new investors purchasing shares in this offering by \$ per share, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated expenses payable by us. We may also increase or decrease the number of shares we are offering. Each increase of 1.0 million shares in the number of shares offered by us, together with a concomitant \$1.00 increase in the assumed offering price of \$ per share, would increase the dilution to new investors purchasing shares in this offering by \$ per share. Similarly, each decrease of 1.0 million shares in the number of shares offered by us, together with a concomitant \$1.00 decrease in the assumed offering price of \$ per share, would decrease the dilution to new investors purchasing shares in this offering by \$ per share. The information discussed above is illustrative only and will adjust based on the actual public offering price and other terms of this offering determined at pricing.

The following table illustrates this per share dilution:

	<u>Per Share</u>
Initial public offering price	
Net tangible book value (deficit) as of March 31, 2010	
Increase attributable to this offering	
Pro forma net tangible book value (deficit), as adjusted to give effect to this offering	
Dilution in pro forma net tangible book value to new investors in this offering	

The following table summarizes, as of March 31, 2010, the total number of shares of Class A common stock purchased from us, the total consideration paid to us, and the weighted average price per share paid to us, by our existing stockholders and by the investors purchasing shares of Class A common stock in this offering at our assumed initial public offering price of \$ per share, which is the midpoint of the range set forth on the cover page of this prospectus.

	Shares Purchased		Total Consideration		Weighted Average Price per Share
	Number	Percent	Amount	Percent	
(In thousands, other than percentages)					
Existing stockholders		%		%	
New investors					
<b>Total</b>		<b>100%</b>		<b>100%</b>	

The foregoing discussion and tables give effect to the issuance of our Class A common stock upon exercise of all outstanding stock options held by directors and officers as of , 2010. As of March 31, 2010, there were outstanding stock options granted under our Officers' Rollover Stock Plan and our Equity Incentive Plan to purchase, subject to vesting, up to shares and shares, respectively, of our Class A common stock at a weighted average exercise price of per share and per share, respectively.

In addition, we may choose to raise additional capital due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent that additional capital is raised through the sale of equity or convertible debt securities, the issuance of such securities could result in further dilution to our stockholders.

## THE ACQUISITION AND RECAPITALIZATION TRANSACTION

### **The Acquisition**

On July 31, 2008, or the Closing Date, Booz Allen Hamilton completed the separation of its U.S. government consulting business from its commercial and international consulting business, the spin off of the commercial and international business, and the sale of 100% of its outstanding common stock to Booz Allen Holding, which was majority owned by Carlyle. Our company is a corporation that is the successor to the government business of Booz Allen Hamilton following the separation.

The separation of the commercial and international business from the government business was accomplished pursuant to a series of transactions under the terms of a Spin Off Agreement, dated as of May 15, 2008, by and among Booz Allen Hamilton and Booz & Company, or Spin Co., and certain of its subsidiaries. As a result of the spin off and related transactions, former stockholders of Booz Allen Hamilton that had been engaged in the commercial and international business, or the commercial partners, became the owners of Spin Co., which held the commercial and international business. The Spin Off Agreement contains a three-year non-compete provision, ending July 31, 2011, during which both Spin Co. and Booz Allen Hamilton are prohibited, with certain exceptions, from engaging in business in the other company's principal markets.

Following the spin off, Booz Allen Hamilton was indirectly acquired by Carlyle pursuant to an Agreement and Plan of Merger, dated as of May 15, 2008, and subsequently amended, or the Merger Agreement, by and among Booz Allen Hamilton, Booz Allen Holding (formerly known as Explorer Holding Corporation), which was majority owned by Carlyle, Booz Allen Investor (formerly known as Explorer Investor Corporation), a wholly owned subsidiary of Booz Allen Holding, Explorer Merger Sub Corporation, a wholly-owned subsidiary of Booz Allen Investor, and Spin Co. Under the terms of the Merger Agreement, the acquisition of Booz Allen Hamilton was achieved through the merger of Explorer Merger Sub Corporation into Booz Allen Hamilton, with Booz Allen Hamilton as the surviving corporation. As a result of the merger, Booz Allen Hamilton became a direct subsidiary of Booz Allen Investor and an indirect wholly-owned subsidiary of Booz Allen Holding.

### **The Merger**

Booz Allen Investor and its affiliates paid the purchase price (subject to adjustments for transaction expenses, indebtedness, fluctuations in working capital and other items) in consideration for the government business through current and deferred cash payments, stock and options in Booz Allen Holding exchanged for Booz Allen Hamilton stock and options, and the assumption or payment by Booz Allen Investor of certain indebtedness.

The Booz Allen Hamilton partners working in the government business, or the government partners, were required to exchange a portion of their stock and options in Booz Allen Hamilton for stock and options in Booz Allen Holding, and the commercial partners were able to exchange a portion of their stock in Booz Allen Hamilton for non-voting stock in Booz Allen Holding. These exchanges were completed on July 30, 2008, and as a result, the government partners and commercial partners held 19% and 2%, respectively, of the common stock of Booz Allen Holding on the Closing Date, with Carlyle, through Coinvest, beneficially owning the remainder.

All of the remaining stock of Booz Allen Hamilton outstanding immediately prior to the merger (other than the stock of Booz Allen Hamilton held by Booz Allen Holding as a result of the exchanges described above) was converted into the right to receive the cash portion of the purchase price. Subject to the escrows and the deferred payment described below, the cash portion of the purchase price was distributed to the government partners and the commercial partners shortly after the merger.

The payment of \$158.0 million of the cash consideration to the government partners and the commercial partners was structured as a deferred payment obligation of Booz Allen Investor to such partners, or the Deferred Payment Obligation, and Booz Allen Investor is obligated to pay this amount (plus interest at a rate

of 5% per six months) to the partners, on a pro rata basis, 8<sup>1</sup>/<sub>2</sub> years after the consummation of the merger or, in certain circumstances, earlier. A total of \$78.0 million of the Deferred Payment Obligation, plus \$22.4 million of accrued interest, was repaid on December 11, 2009. See “— Recapitalization Transaction.” Currently, up to \$80.0 million of the Deferred Payment Obligation may be reduced to offset any claims under the indemnification provisions of the Merger Agreement described below.

On the Closing Date, \$90.0 million of the cash consideration was deposited into escrow to fund certain purchase price adjustments, future indemnification claims under the Merger Agreement and for certain other adjustments. As of March 31, 2010 of the \$90.0 million placed in escrow, approximately \$38.3 million, which includes accrued interest, remains in escrow to cover indemnification claims relating to losses that may be incurred from outstanding litigation associated with the merger and certain outstanding pre-closing tax claims and certain claims that may arise with respect to certain pre-closing matters including taxes, government contracts or the spin off and related transactions and liabilities.

#### *Financing of the Merger*

To fund the aggregate consideration, Booz Allen Investor and Booz Allen Hamilton entered into a series of financing transactions, which included:

- entry into the Senior Credit Facilities, and the incurrence of \$125.0 million of term loans under the Tranche A term facility of the Senior Credit Facilities and \$585.0 million under the Tranche B term facility under the Senior Credit Facilities;
- entry into the Mezzanine Credit Facility, and the incurrence of \$550.0 million of term loans thereunder; and
- an equity contribution from Coinvest of approximately \$956.5 million.

#### *Indemnification Under the Merger Agreement*

From and after the Closing Date, Booz Allen Holding and its subsidiaries (including Booz Allen Hamilton) are indemnified under the Merger Agreement against losses arising from (a) breach of certain representations and warranties regarding Booz Allen Hamilton’s capitalization, corporate authorization, financial statements, internal accounting controls, employee benefits, and DCAA audits and similar government contracts investigations and claims, (b) the failure of the sellers to perform certain covenants and agreements in the Merger Agreement and the Spin Off Agreement, (c) the failure to assume and satisfy amounts owed under the Spin Off Agreement or certain ancillary agreements if and to the extent that Spin Co. is insolvent or bankrupt, and (d) any restructuring costs of Booz Allen Hamilton related to the termination of transition services to Spin Co. after the Closing Date. In addition, the Merger Agreement provides Booz Allen Holding and its subsidiaries (including Booz Allen Hamilton) with indemnification for (i) certain pre-closing taxes and (ii) the amount of certain compensation deductions resulting from any Booz Allen Hamilton options exercised after the signing of the Merger Agreement and prior to July 30, 2008. These indemnification rights are subject to the various limitations, including time and dollar amounts, and the sole recourse of Booz Allen Holding and its subsidiaries with respect to any indemnification amounts owed to them under the Merger Agreement are the escrow funds available for indemnification and offset against Booz Allen Investor’s obligation to pay a portion of the Deferred Payment Obligation.

#### *Spin Off Agreement*

In addition to governing the split of the commercial and international business from the government business, the Spin Off Agreement sets forth certain restrictions and guidelines for the interaction and operation of the government business and the commercial and international business after the Closing Date, including,

- for a period of three years following the Closing Date (subject to certain exceptions), Spin Co. agreed that it and its subsidiaries would not (i) provide, sell, or offer to sell or advertise certain types of consulting services provided by the government business, (ii) assist, advise, engage or participate in providing such services to certain scheduled competitors of Booz Allen Hamilton, (iii) have certain

interests in such competitors, (iv) knowingly permit its names to be used by such competitors in connection with providing any services other than permitted services or (v) provide any services of any type to a scheduled list of direct competitors or their subsidiaries or successors;

- for a period of three years following the Closing Date (subject to certain exceptions), Booz Allen Hamilton agreed that it and its subsidiaries would not (i) provide, sell, or offer to sell or advertise any services other than certain types of consulting services (including cyber-security services) provided by the government business, (ii) assist or advise certain scheduled competitors of Spin Co. in providing services other than such consulting services provided by the government business, (iii) have certain interests in such competitors, or (iv) knowingly permit its names to be used by such competitors in connection with providing any services other than such consulting services provided by the government business;
- for a period of three years following the Closing Date, Booz Allen Hamilton and Spin Co. agreed not to solicit or attempt to solicit any client or business relation of the other party to cease or adversely change their business relationship with the other party or its subsidiaries;
- for a period of three years following the Closing Date, Booz Allen Hamilton and Spin Co. agreed not to hire or attempt to hire any person who was at Closing an officer, director, employee, consultant or agent of the other party (subject to certain exceptions);
- until the earlier of the fifth anniversary of the Closing Date or a change in control of the other party, Booz Allen Hamilton and Spin Co. agreed that they and their subsidiaries would not, in the case of Spin Co., hire or attempt to hire any person who was or is a stockholder of Booz Allen Hamilton (other than a commercial partner); and in the case of Booz Allen Hamilton, hire or attempt to hire any person who was, on or prior to the Closing Date, a commercial partner, or is then, a stockholder of Spin Co. (subject to certain exceptions); and
- for a period of three years following the Closing Date, Spin Co. agreed that it and its subsidiaries would not directly or indirectly acquire a competitor of Booz Allen Hamilton.

#### *Indemnification under the Spin Off Agreement*

Under the Spin Off Agreement, Booz Allen Hamilton has agreed to indemnify Spin Co. from all losses arising out of breaches of the Spin Off Agreement or certain related agreements, certain employee benefit matters, and for liabilities and obligations arising out of the government business, and Spin Co. has agreed to indemnify Booz Allen Hamilton from all losses arising out of breaches of the Spin Off Agreement or certain related agreements, certain employee benefit matters, and for liabilities and obligations arising out of the commercial and international business. Spin Co. has also agreed to indemnify Booz Allen Hamilton for increases in pre-closing taxes if a majority of Spin Co.'s shares or a majority of its assets are sold to a third party within three years of the Closing Date at a price in excess of the allocable portion of the agreed-upon fair market value of the Spin Co. shares and a taxing authority successfully asserts that the fair market value of such shares at the time of the spin off was in excess of the agreed-upon fair market value. Furthermore, each of Spin Co. and Booz Allen Hamilton has generally agreed to indemnify the other from the recapture of dual consolidated losses which result from an action of the indemnifying party or its affiliates.

#### **Recapitalization Transaction**

On December 11, 2009, Booz Allen Investor and Booz Allen Hamilton entered into a series of amendments to the credit agreements governing the Senior Credit Facilities and Mezzanine Credit Facility in connection with the declaration of dividends by Booz Allen Hamilton, Booz Allen Investor and Booz Allen Holding and the partial repayment of the Deferred Payment Obligation. The credit agreement governing the Senior Credit Facilities was amended to, among other things, add the Tranche C term facility under the Senior Credit Facilities, increase commitments under the senior revolving facility under the Senior Credit Facilities from \$100.0 million to \$245.0 million, and permit the payment of the dividends. The credit agreement governing the Mezzanine Credit Facility was amended to, among other things, permit the payment of the



dividends, the incurrence of loans under the Tranche C term facility and the increase in commitments under the senior revolving facility. Using cash on hand and \$341.3 million in net proceeds from the increased term loan facility, Booz Allen Hamilton paid a dividend of \$650.0 million on its common stock, all of which was paid to Booz Allen Investor, its sole stockholder. Booz Allen Investor in turn used the proceeds of the dividend (i) to repay approximately \$100.4 million of the Deferred Payment Obligation, including \$22.4 million in accrued interest, in accordance with the terms of the Merger Agreement and (ii) to pay a dividend of approximately \$549.6 million on its common stock, all of which was paid to Booz Allen Holding, its sole stockholder. Booz Allen Holding in turn declared a dividend of \$497.5 million payable on its outstanding Class A common stock, Class B non-voting common stock and Class C restricted common stock, approximately \$444.1 million of which was paid to Coinvest and the remainder of which was paid to the other stockholders of Booz Allen Holding. The aforementioned transactions are referred to in this prospectus as the Recapitalization Transaction. As required by the Officers' Rollover Stock Plan and the Equity Incentive Plan, the exercise price per share of each outstanding option was reduced in an amount equal to the reduction in the value of the common stock as a result of the dividend. Because the reduction in share value exceeded the exercise price for certain of the options granted under the Officers' Rollover Stock Plan, the exercise price for those options was reduced to the par value of the shares issuable on exercise, and the holders became entitled to receive on the option's fixed exercise date a cash payment equal to the excess of the reduction in share value as a result of the dividend over the reduction in exercise price, subject to vesting of the relation options. As of March 31, 2010, the total obligations for these cash payments was \$54.4 million.

## SELECTED HISTORICAL CONSOLIDATED FINANCIAL AND OTHER DATA

The selected consolidated statements of operations data for fiscal 2008, the four months ended July 31, 2008, the eight months ended March 31, 2009 and fiscal 2010, and the selected consolidated balance sheet data as of March 31, 2009 and 2010 have been derived from our audited financial statements included elsewhere in this prospectus. The consolidated balance sheet data as of March 31, 2008 has been derived from audited financial statements which are not included in this prospectus. The selected consolidated statements of operations data for fiscal 2006 and 2007 and the selected consolidated balance sheet data as of March 31, 2006 and 2007 have been derived from our unaudited financial statements. The unaudited financial statements have been prepared on the same basis as the audited financial statements and, in the opinion of our management, include all adjustments necessary for a fair presentation of the information set forth herein. Our historical results are not necessarily indicative of the results that may be expected for any future period. The selected financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes included elsewhere in this prospectus.

As discussed in more detail under "The Acquisition and Recapitalization Transaction," Booz Allen Hamilton was indirectly acquired by Carlyle on July 31, 2008. Immediately prior to the Acquisition, Booz Allen Hamilton spun off its commercial and international business and retained its U.S. government business. The accompanying consolidated financial statements are presented for (1) the "Predecessor," which are the financial statements of Booz Allen Hamilton and its consolidated subsidiaries for the period preceding the Acquisition, and (2) the "Company," which are the financial statements of Booz Allen Holding and its consolidated subsidiaries for the period following the Acquisition. Prior to the Acquisition, Booz Allen Hamilton's U.S. government business is presented as the continuing operations of the Predecessor. The Predecessor's consolidated financial statements have been presented for the twelve months ended March 31, 2008 and the four months ended July 31, 2008. The operating results of the commercial and international business that was spun off by Booz Allen Hamilton effective July 31, 2008 have been presented as discontinued operations in the Predecessor consolidated financial statements and the related notes included in this prospectus. The Company's consolidated financial statements for periods subsequent to the Acquisition have been presented from August 1, 2008 through March 31, 2009 and for the twelve months ended March 31, 2010. The Predecessor's financial statements may not necessarily be indicative of the cost structure or results of operations that would have existed if the U.S. government business operated as a stand-alone, independent business. The Acquisition was accounted for as a business combination, which resulted in a new basis of accounting. The Predecessor's and the Company's financial statements are not comparable as a result of applying a new basis of accounting. See Notes 1, 4, and 24 to our consolidated financial statements for additional information regarding the accounting treatment of the Acquisition and discontinued operations.

Additionally, the results of operations and balance sheet data for fiscal 2006, fiscal 2007, fiscal 2008, the four months ended July 31, 2008, and the eight months ended March 31, 2009 and as of March 31, 2006, 2007 and 2008 are presented "as adjusted" to reflect the change in accounting principle related to our revenue recognition policies as described in "Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Estimates and Policies."

Included in the table below are unaudited pro forma results of operations for the twelve months ended March 31, 2009, or "pro forma 2009," assuming the Acquisition had been completed as of April 1, 2008. The unaudited pro forma condensed consolidated results of operations for fiscal 2009 are based on our historical audited consolidated financial statements included elsewhere in this prospectus, adjusted to give pro forma effect to the Acquisition. The unaudited pro forma condensed consolidated results of operations for fiscal 2009 are presented because management believes it provides a meaningful comparison of operating results enabling twelve months of fiscal 2009, adjusted for the impact of the Acquisition, to be compared with fiscal 2010. The unaudited pro forma condensed consolidated financial statements are for informational purposes only and do not purport to represent what our actual results of operations would have been if the Acquisition had been completed as of April 1, 2008 or that may be achieved in the future. The unaudited pro forma condensed consolidated financial information and the accompanying notes should be read in conjunction with our historical audited consolidated financial statements and related notes appearing elsewhere in this prospectus

and other financial information contained in “Risk Factors,” “The Acquisition and Recapitalization Transaction,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this prospectus. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Results of Operations” for a description of the pro forma adjustments attributable to the Acquisition.

	Predecessor				The Company		
	Fiscal Year Ended March 31,			Four Months Ended	Eight Months Ended	Pro Forma Fiscal Year Ended	Fiscal Year Ended
	2006 (Unaudited) (As adjusted)	2007 (Unaudited) (As adjusted)	2008 (As adjusted)	July 31, 2008 (As adjusted)	March 31, 2009 (As adjusted)	March 31, 2009(1)	March 31, 2010
	(In thousands, except share and per share data)						
<b>Consolidated Statement of Operations Data:</b>							
Revenue	\$ 2,902,513	\$ 3,209,211	\$ 3,625,055	\$ 1,409,943	\$ 2,941,275	\$ 4,351,218	\$ 5,122,633
Operating costs and expenses:							
Compensation and other costs	1,572,817	1,813,295	2,028,848	722,986	1,566,763	2,296,335	2,654,143
Billable expenses	820,951	815,421	935,459	401,387	756,933	1,158,320	1,361,229
General and administrative expenses	409,576	421,921	474,188	726,929	505,226	723,827	811,944
Depreciation and amortization	22,284	27,879	33,079	11,930	79,665	106,335	95,763
Total operating costs and expenses	<u>2,825,628</u>	<u>3,078,516</u>	<u>3,471,574</u>	<u>1,863,232</u>	<u>2,908,587</u>	<u>4,284,817</u>	<u>4,923,079</u>
Operating income (loss)	76,885	130,695	153,481	(453,289)	32,688	66,401	199,554
Interest income	1,995	2,955	2,442	734	4,578	5,312	1,466
Interest expense	(966)	(1,481)	(2,319)	(1,044)	(98,068)	(146,803)	(150,734)
Other income (expense), net	392	146	(1,931)	(54)	(128)	(182)	(1,292)
Income (loss) from continuing operations and before income taxes	78,306	132,315	151,673	(453,653)	(60,930)	(75,272)	48,994
Income tax (benefit) expense from continuing operations	39,399	55,921	62,693	(56,109)	(22,147)	(25,831)	23,575
Income (loss) from continuing operations	38,907	76,394	88,980	(397,544)	<u>\$ (38,783)</u>	<u>\$ (49,441)</u>	25,419
Loss from discontinued operations	(30,409)	(57,611)	(71,106)	(848,371)			
Net income (loss)	<u>\$ 8,498</u>	<u>\$ 18,783</u>	<u>\$ 17,874</u>	<u>\$ (1,245,915)</u>			<u>\$ 25,419</u>
Earnings per share from continuing operations(2)(3):							
Basic	\$	\$	\$	\$	\$	\$	\$
Diluted							
Earnings (loss) per share(2)(3):							
Basic	\$	\$	\$	\$	\$	\$	\$
Diluted							
Weighted average common shares outstanding(2)(3):							
Basic							
Diluted							
Cash dividends per share (unaudited)(3)	\$	\$	\$	\$	\$	\$	\$ (4)

	Predecessor			The Company	
	As of March 31,			As of March 31,	
	2006 (Unaudited) (As adjusted)	2007 (Unaudited) (As adjusted)	2008 (As adjusted)	2009 (As adjusted)	2010
<b>Consolidated Balance Sheet Data:</b>					
Cash and cash equivalents	\$ 31,233	\$ 3,272	\$ 7,123	\$ 420,902	\$ 307,835
Working capital	724,470	789,275	1,113,656	789,308	584,248
Total assets	1,422,983	1,482,453	1,891,375	3,182,249	3,062,223
Long-term debt, net of current portion	—	—	—	1,220,502	1,546,782
Stockholders' equity	271,090	272,068	313,065	1,060,343	509,583

(1) The table below presents the pro forma adjustments attributable to the Acquisition. The pro forma adjustments are described in the accompanying footnotes and are based upon available information and certain assumptions that we believe are reasonable.

	Four Months Ended July 31, 2008 (As adjusted)	Eight Months Ended March 31, 2009 (As adjusted)	Pro Forma Adjustments	Pro Forma Fiscal Year Ended March 31, 2009
<b>Consolidated Statement of Operations Data:</b>				
Revenue	\$ 1,409,943	\$ 2,941,275	—	\$ 4,351,218
Operating costs and expenses:				
Compensation and other costs	722,986	1,566,763	\$ 6,586 (a)	2,296,335
Billable expenses	401,387	756,933	—	1,158,320
General and administrative expenses	726,929	505,226	(508,328)(b)	723,827
Depreciation and amortization	11,930	79,665	14,740 (c)	106,335
Total operating costs and expenses	1,863,232	2,908,587	—	4,284,817
Operating income (loss)	(453,289)	32,688	—	66,401
Interest income	734	4,578	—	5,312
Interest expense	(1,044)	(98,068)	(47,691)(d)	(146,803)
Other (expense), net	(54)	(128)	—	(182)
Income (loss) from continuing operations before income taxes	(453,653)	(60,930)	—	(75,272)
Income tax (benefit) expense from continuing operations	(56,109)	(22,147)	52,425 (e)	(25,831)
Net income (loss) from continuing operations	(397,544)	(38,783)	—	\$ (49,441)
Loss from discontinued operations, net of tax	(848,371)	—	—	—
Net (loss)	\$ (1,245,915)	\$ (38,783)	—	—

(a) Reflects additional stock-based compensation expense associated with options issued in exchange for stock rights under the stock rights plan that existed prior to the closing of the Acquisition for \$6.6 million (see Note 17 to our consolidated financial statements for additional information on our stock-based compensation).

(b) Consists of the following adjustments:

- Increase to rent expense of \$1.8 million due to the elimination of the July 31, 2008 deferred rent liability in accordance with the accounting treatment of leases associated with the business combination;
  - Increase to management fees paid to Carlyle of \$0.3 million (see Note 19 to our consolidated financial statements for additional information regarding the management fees);
  - Additional stock-based compensation expense of \$13.4 million associated with options issued in exchange for stock rights under the stock rights plan that existed prior to the closing of the Acquisition (see Note 17 to our consolidated financial statements for additional information on our stock-based compensation);
  - Reversal of \$511.7 million for a one-time acceleration of stock rights and the fair value mark-up of redeemable common shares immediately prior to the acquisition; and
  - Reversal of certain related transaction costs of \$12.2 million.
- (c) Reflects amortization expense of intangible assets established as part of purchase accounting and depreciation expense associated with the fair value of fixed assets associated with the Acquisition accounted for as a business combination for \$14.7 million.
- (d) Consists of the following adjustments:
- Reversal of interest expense of \$1.0 million recorded during the four months ended July 31, 2008 related to the Predecessor's previous debt outstanding prior to the Acquisition; and
  - Incurrence of additional interest expense of \$48.7 million associated with the new Senior Credit Facilities and Mezzanine Credit Facility established in conjunction with the Acquisition.
- (e) Reflects tax effect of the cumulative pro forma adjustments.
- (2) Basic earnings per share for the Company has been computed using the weighted average number of shares of Class A common stock, Class B non-voting common stock and Class C restricted common stock outstanding during the period. The Company's diluted earnings per share has been computed using the weighted average number of shares of Class A common stock, Class B non-voting common stock and Class C restricted common stock including the dilutive effect of outstanding common stock options and other stock-based awards. The weighted average number of Class E special voting common stock has not been included in the calculation of either basic earnings per share or diluted earnings per share due to the terms of such common stock.
- Basic earnings per share for the Predecessor has been computed using the weighted average number of shares of Class A common stock outstanding during the period. The Predecessor's diluted earnings per share has been computed using the weighted average number of shares of Class A common stock including the dilutive effect of outstanding stock-based awards.
- (3) Reflects a -for-1 split of our common stock to be effected prior to the completion of this offering.
- (4) Reflects the payment of special dividends in the aggregate amount of \$114.9 million and \$497.5 million to holders of record of our Class A common stock, Class B non-voting common stock, and Class C restricted common stock as of July 29, 2009 and December 8, 2009, respectively.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion and analysis is intended to help the reader understand our business, financial condition, results of operations, liquidity and capital resources. You should read this discussion in conjunction with "Selected Historical Consolidated Financial and Other Data," and our audited consolidated financial statements and the related notes beginning on page F-1 of this prospectus.*

*The statements in this discussion regarding industry outlook, our expectations regarding our future performance, liquidity and capital resources and other non-historical statements in this discussion are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the risks and uncertainties described in "Risk Factors" and "Special Note Regarding Forward-Looking Statements." Our actual results may differ materially from those contained in or implied by any forward-looking statements.*

*Our fiscal year ends March 31 and, unless otherwise noted, references to years or fiscal are for fiscal years ended March 31. References to "pro forma 2009" in this discussion and analysis are to unaudited pro forma results for the twelve months ended March 31, 2009, assuming the Acquisition had been completed as of April 1, 2008. See "— Results of Operations."*

### **Overview**

We are a leading provider of management and technology consulting services to the U.S. government in the defense, intelligence and civil markets. We are a well-known, trusted and long-term partner to our clients, who seek our expertise and objective advice to address their most important and complex problems. Leveraging our 95-year consulting heritage and a talent base of approximately 23,300 people, we deploy our deep domain knowledge, functional expertise and experience to help our clients achieve their objectives. We have a collaborative culture, supported by our operating model, which helps our professionals identify and respond to emerging trends across the markets we serve and delivers enduring results for our clients. We have grown our revenue organically at an 18% CAGR over the 15-year period ended March 31, 2010, reaching \$5.1 billion in revenue in fiscal 2010.

We were founded in 1914 by Edwin Booz, one of the pioneers of management consulting. In 1940, we began serving the U.S. government by advising the Secretary of the Navy in preparation for World War II. As the needs of our clients have grown more complex, we have expanded beyond our management consulting foundation to develop deep expertise in technology, engineering, and analytics. Today, we serve substantially all of the cabinet-level departments of the U.S. government. Our major clients include the Department of Defense, all branches of the U.S. military, the U.S. Intelligence Community, and civil agencies such as the Department of Homeland Security, the Department of Energy, the Department of Health and Human Services, the Department of the Treasury and the Environmental Protection Agency. We support these clients in addressing complex and pressing challenges such as combating global terrorism, improving cyber capabilities, transforming the healthcare system, improving efficiency and managing change within the government, and protecting the environment.

### **Factors and Trends Affecting Our Results of Operations**

Our results of operations have been, and we expect them to continue to be, affected by the following factors, which may cause our future results of operations to differ from our historical results of operations discussed under "— Results of Operations."

### **Business Environment and Key Trends in Our Markets**

We believe that the following trends and developments in the U.S. government services industry and our markets may influence our future results of operations:

- budgeting constraints increasing pressure on the U.S. government to control spending while pursuing numerous important policy initiatives, which may result in a slowdown in the growth rate of U.S. government spending in certain areas;
- changes in the level and mix of U.S. government spending, such as the U.S. government's increased spending in recent years on homeland security, cyber, advanced technology analytics, intelligence and defense-related programs and healthcare;
- increased insourcing by the U.S. government of work that was traditionally performed by outside contractors, including at the Department of Defense;
- specific efficiency initiatives by the U.S. government such as the Base Realignment and Closure Program and efforts to rebalance the U.S. defense forces in accordance with the 2010 QDR;
- U.S. government agencies awarding contracts on a technically acceptable/lowest cost basis, which could have a negative impact on our ability to win certain contracts;
- restrictions by the U.S. government on the ability of federal agencies to use Lead System Integrators in response to cost, schedule and performance problems with large defense acquisition programs where contractors were performing the Lead Systems Integrator role;
- increasingly complex requirements of the Department of Defense and the U.S. Intelligence Community, including cyber-security, and focus on reforming existing government regulation of various sectors of the economy, such as financial regulation and healthcare;
- increased competition from other government contractors and market entrants seeking to take advantage of the trends identified above; and
- efforts by the U.S. government to address OCI and related issues and the impact of those efforts on us and our competitors.

### **Sources of Revenue**

Substantially all of our revenue is derived from services provided under contracts and task orders with the U.S. government, primarily by our employees and, to a lesser extent, our subcontractors. Funding for our contracts and task orders is generally linked to trends in budgets and spending across various U.S. government agencies and departments, which generally have been increasing among our key markets and service offerings. We provide services under a large portfolio of contracts and contract vehicles to a broad client base, and we believe that our diversified contract and client base lessens potential volatility in our business.

### **Contract Types**

We generate revenue under the following three basic types of contracts: cost-reimbursable, time-and-materials, and fixed-price.

- *Cost-reimbursable contracts.* Cost-reimbursable contracts provide for the payment of allowable costs incurred during performance of the contract, up to a ceiling based on the amount that has been funded, plus a fee. We generate revenue under two general types of cost-reimbursable contracts: cost-plus-fixed-fee and cost-plus-award-fee contracts, both of which reimburse allowable costs and include a fixed contract fee. The fixed fee under each type of cost-reimbursable contract is generally payable upon completion of services in accordance with the terms of the contract, and cost-plus-fixed-fee contracts offer no opportunity for payment beyond the fixed fee. Cost-plus-award-fee contracts also provide for an award fee that varies within specified limits based upon the client's assessment of our performance

against a predetermined set of criteria, such as targets for factors like cost, quality, schedule, and performance.

- *Time-and-materials contracts.* Under a time-and-materials contract, we are paid a fixed hourly rate for each direct labor hour expended, and we are reimbursed for allowable material costs and allowable out-of-pocket expenses. To the extent our actual direct labor and associated costs vary in relation to the fixed hourly billing rates provided in the contract, we will generate more or less profit, or could incur a loss.
- *Fixed-price contracts.* Under a fixed-price contract, we agree to perform the specified work for a pre-determined price. To the extent our actual costs vary from the estimates upon which the price was negotiated, we will generate more or less profit, or could incur a loss. Some fixed-price contracts have a performance-based component, pursuant to which we can earn incentive payments or incur financial penalties based on our performance. Fixed-price level of effort contracts require us to provide a specified level of effort, over a stated period of time, for a fixed price.

The amount of risk and potential reward varies under each type of contract. Under cost-reimbursable contracts, there is limited financial risk, because we are reimbursed for all allowable costs up to a ceiling. However, profit margins on this type of contract tend to be lower than on time-and-materials and fixed-price contracts. Under time-and-materials contracts, we are reimbursed for the hours worked using the predetermined hourly rates for each labor category. In addition, we are typically reimbursed for other contract direct costs and expenses at cost. We assume financial risk on time-and-materials contracts because our labor costs may exceed the negotiated billing rates. Profit margins on well-managed time and materials contracts tends to be higher than cost-reimbursable contracts as long as we are able to staff those contracts with people who have an appropriate skill set. Under fixed-price contracts, we are required to deliver the objectives under the contract for a pre-determined price. Compared to time-and-materials and cost-reimbursable contracts, fixed-price contracts generally offer higher profit margin opportunities because we receive the full benefit of any cost savings but generally involve greater financial risk because we bear the impact of any cost overruns. In the aggregate, the contract type mix in our revenue for any given period will affect that period's profitability. Over time we have experienced a relatively stable contract mix although the U.S. government has indicated an intent to increase its use of fixed price contract procurements and reduce its use of cost-plus-award-fee contract procurements.

The table below presents the percentage of total revenue for each type of contract.

	Predecessor	The Company	
	Fiscal 2008	Pro Forma 2009	Fiscal 2010
Cost-reimbursable(1)	47%	50%	50%
Time-and-materials	44%	39%	38%
Fixed-price(2)	9%	11%	12%

(1) Includes both cost-plus-fixed-fee and cost-plus-award fee contracts.

(2) Includes fixed-price level of effort contracts.

#### *Contract Diversity and Revenue Mix*

We provide our services to our clients through a large number of single award contracts and contract vehicles and multiple award contract vehicles. In fiscal 2010, the revenue from our top ten single award contracts or contract vehicles based on revenue represented 19% of our revenue. Most of our revenue is generated under ID/IQ contract vehicles, which include multiple award GWACs and GSA schedules and certain single award contracts. GWACs and GSA schedules are available to all U.S. government agencies. Any number of contractors typically compete under multiple award ID/IQ contract vehicles for task orders to provide particular services, and we earn revenue under these contract vehicles only to the extent that we are successful in the bidding process for task orders. In each of fiscal 2008, pro forma 2009 and fiscal 2010, our revenue under GWACs and GSA schedules collectively represented 29%, 27% and 23% of our total revenue, respectively. No single task order under any contract represented more than 1% of our revenue in any of fiscal



2008, pro forma 2009 or fiscal 2010. No single contract accounted for more than 9% of our revenue in any of fiscal 2008, pro forma 2009 and fiscal 2010.

As of September 30, 2009, the end of the U.S. government's fiscal year, there were a total of 40 GSA schedules with over 17,000 schedule holders that generated more than \$37.0 billion in annual sales in U.S. government fiscal year 2009. We were the number three provider under the GSA federal supply schedule program with a total of \$899.0 million in revenue during U.S. government fiscal 2009. Based on revenue from our top three GSA schedules, we are the number five contractor on the Information Technology (IT) Schedule 70, the number two contractor on the Mission Oriented Business Integrated Services (MOBIS) Schedule, and the number two contractor on the Professional Engineering Services (PES) Schedule in U.S. government fiscal year 2009.

Listed below are our top three GSA schedules and GWACs based on revenue for each of fiscal 2008, pro forma 2009 and fiscal 2010, the number of active task orders as of March 31, 2010 under each of our top three GSA schedules and GWACs and an aggregation of all other GSA schedules and GWACs. These contract vehicles are available to all U.S. government agencies and the revenue stated is the result of individually competed task orders.

Contract	Fiscal	% of	Pro	% of	Fiscal	% of	Number of	Expiration
	2008	Total	Forma	Total	2010	Total	Task Orders	
		Revenue	2009	Revenue		Revenue	as of	Date
	(Revenue in millions)							
Mission Oriented Business Integrated Services (MOBIS) — #874	\$ 187.8	5%	\$ 245.6	6%	\$ 351.7	7%	494	9/30/12
Information Technology (IT) — #70	\$ 330.2	9%	\$ 334.5	8%	\$ 257.7	5%	326	7/30/10
Professional Engineering Services (PES) — #871	\$ 242.8	7%	\$ 243.8	6%	\$ 216.5	4%	287	10/28/14
All Others	\$ 279.4	8%	\$ 339.1	8%	\$ 368.2	7%		
<b>Total</b>	<b>\$1,040.2</b>	<b>29%</b>	<b>\$1,163.0</b>	<b>27%</b>	<b>\$1,194.1</b>	<b>23%</b>		

Listed below are our top single award contract, our top five single award contracts and our top ten single award contracts, each based on revenue and the number of active task orders as of March 31, 2010 under these contracts. Eight of our top ten single award contracts and all of our top five single award contracts are ID/IQ contracts. The number of task orders for our top ten contracts does not include task orders under classified contracts due to the fact that information associated with those contracts is classified.

Contract	Fiscal	% of	Number of	Expiration
	2010	Total	Task Orders	
		Revenue	as of	Date
	(Revenue in millions)			
Top Contract	\$376.0	7%	335	1/8/2013
Top Five Contracts	\$817.3	16%	907	
Top Ten Contracts	\$957.8	19%	961	

We generate revenue under our contracts and task orders through our provision of services as both a prime contractor and subcontractor, as well as from the provision of services by subcontractors under contracts and task orders for which we act as the prime contractor. The mix of these types of revenue affect our contract margins. Our contract margins are generally highest when we contract directly with the government without the engagement of subcontractors. When we act as a prime contractor or as a subcontractor, our contract margins are generally higher on revenue earned for services we provide than the margins we earn on services provided by our subcontractors. For fiscal 2008, pro forma 2009 and fiscal 2010, 88%, 86% and 87%, respectively, of our revenue was generated by contracts and task orders for which we serve as a prime contractor; 12%, 14% and 13%, respectively, of our revenue was generated by contracts and task orders for

which we serve as a subcontractor; and 22%, 21% and 22%, respectively, of our revenue was generated by services provided by our subcontractors.

#### Our People

Revenue from our contracts is derived from services delivered by our people and, as discussed above, to a lesser extent from our subcontractors. Our ability to hire, retain and deploy talent is critical to our ability to grow our revenue. As of March 31, 2008, 2009, and 2010 we employed approximately 18,800, 21,600, and 23,300 people, respectively, of which approximately 16,900, 19,600, and 21,000, respectively, were consulting staff employees. Attrition for consulting staff was 15%, 15%, and 14% during fiscal 2008, 2009, and 2010, respectively. We recently enhanced our firm-wide hiring program to recruit and attract additional high quality and experienced talent. We believe this program will allow us to better service our clients under existing contracts and reduce our need to use subcontractors.

#### Contract Backlog

We define backlog to include the following three components:

- *Funded Backlog.* Funded backlog represents the revenue value of orders for services under existing contracts for which funding is appropriated or otherwise authorized less revenue previously recognized on these contracts.
- *Unfunded Backlog.* Unfunded backlog represents the revenue value of orders for services under existing contracts for which funding has not been appropriated or otherwise authorized.
- *Priced Options.* Priced contract options represent 100% of the revenue value of all future contract option periods under existing contracts that may be exercised at our clients' option and for which funding has not been appropriated or otherwise authorized.

Backlog does not include any task orders under ID/IQ contracts, including GWACs and GSA schedules, except to the extent that task orders have been awarded to us under those contracts.

The following table summarizes the value of our contract backlog at the respective dates presented:

	<u>The Company</u>	
	<u>As of March 31,</u>	
	<u>2009</u>	<u>2010</u>
	(In millions)	
<b>Backlog:</b>		
Funded	\$ 2,392	\$ 2,528
Unfunded	1,968	2,453
Priced options	2,919(1)	4,032(1)
<b>Total backlog</b>	<b><u>\$ 7,279</u></b>	<b><u>\$ 9,013</u></b>

(1) Amounts shown reflect 100% of the undiscounted revenue value of all priced options.

Our backlog includes orders under contracts that in some cases extend for several years. The U.S. Congress generally appropriates funds for our clients on a yearly basis, even though their contracts with us may call for performance that is expected to take a number of years. As a result, contracts typically are only partially funded at any point during their term and all or some of the work to be performed under the contracts may remain unfunded unless and until the U.S. Congress makes subsequent appropriations and the procuring agency allocates funding to the contract.

We view growth in total backlog and headcount growth as the two key measures of our business growth. Headcount growth is the primary means by which we are able to recognize revenue growth through the deployment of additional people against funded backlog. Some portion of our employee base is employed on less than a full time basis, and we measure such revenue growth based on the full time equivalency of our

people. Total backlog grew 24% from March 31, 2009 to March 31, 2010. We cannot predict with any certainty the portion of our backlog that we expect to recognize as revenue in any future period. While we report internally on our backlog on a monthly basis and review backlog upon the occurrence of certain events to determine if any adjustments are necessary, we cannot guarantee that we will recognize any revenue from our backlog. The primary risks that could affect our ability to recognize such revenue are program schedule changes and contract modifications. Additional risks include the unilateral right of the U.S. government to cancel multi-year contracts and related orders or to terminate existing contracts for convenience or default; in the case of unfunded backlog, the potential that funding will not be available; and, in the case of priced options, the risk that our clients will not exercise their options. See "Risk Factors — Risks Related to Our Business — We may not realize the full value of our backlog, which may result in lower than expected revenue."

#### ***Operating Costs and Expenses***

Costs associated with compensation and related expenses for our people are the most significant component of our operating costs and expenses. Certain trends relating to our costs include hiring additional people as we grow our business and are awarded new contracts, task orders and additional work under our existing contracts and the hiring of people with a specific skill set and security clearances as required by our additional work. Incentive compensation generally increases as we report higher revenue.

Our most significant operating costs and expenses are described below.

#### ***Cost of Revenue***

Cost of revenue includes direct labor, related employee benefits and overhead. Overhead consists of indirect costs, including indirect labor relating to infrastructure, management and administration, and other expenses.

#### ***Billable Expenses***

Billable expenses include direct subcontractor expenses, travel expenses, and other expenses incurred to perform on contracts.

#### ***General and Administrative Expenses***

General and administrative expenses include indirect labor of executive management and corporate administrative functions, marketing and bid and proposal costs, and other discretionary spending.

Upon the completion of this offering, we will be required to comply with new accounting, financial reporting and corporate governance standards as a public company that we expect will cause our general and administrative expenses to increase. Such costs will include, among others, increased auditing and legal fees, board of director fees, investor relations expenses, and director and officer liability insurance costs.

#### ***Depreciation and Amortization***

Depreciation and amortization includes the depreciation of computers, leasehold improvements, furniture and other equipment, and the amortization of internally developed software, as well as third-party software that we use internally and of identifiable long-lived intangible assets over their estimated useful lives.

#### ***Income Taxes***

Our NOL carryforward, which as of March 31, 2010 was \$367.6 million, is subject to Section 382 of the Internal Revenue Code. Section 382 of the Internal Revenue Code limits the use of a corporation's NOLs and certain other tax benefits following a change in ownership of the corporation. We believe that it is more likely than not that the results of future operations will generate sufficient taxable income over the next two to five years to realize the tax benefits of our NOL carryforward.

We also expect that our future cash tax payments will be further reduced by utilizing deductions created upon the exercise of employee stock options. In general, under current law, an exercise of a compensatory option to acquire our stock would create an income tax deduction in an amount equal to the excess of the fair market value of the stock subject to the option over the option exercise price. In connection with the Acquisition, we issued options under the Officers' Rollover Stock Plan, referred to as Rollover options, of which options to purchase 1,334,584 shares were outstanding as of March 31, 2010, including options to purchase 97,139 shares that were vested as of such date. The remaining Rollover options vest over the period from June 30, 2010 to June 30, 2013 and, once vested, are required to be exercised no later than 60 days (subject to extension by the Board) following specified exercise commencement dates ranging from June 30, 2010 to June 30, 2015 or such options will be forfeited. Assuming that all such options vest in accordance with their terms and are exercised in accordance with the exercise schedule, and that the fair market value of our Class A common stock at the time of such exercises were equal to \$ , the midpoint of the range set forth on the cover page of this prospectus, the expected reduction in our cash taxes over the exercise period for such options would be approximately \$ in excess of the tax benefit for such awards reflected in our consolidated financial statements. There can be no assurance that any such options will vest and be exercised or that the value of our stock at the time of any exercise will not be less than such midpoint or that any such tax deduction will be realized. Any increase or decrease in the price of our Class A common stock at the time of any such exercise relative to such midpoint assumed above would likewise have the effect of increasing (in the case of a decrease in stock price) or decreasing (in the case of an increase in stock price) our future cash tax payments.

In addition, we have issued options under the Equity Incentive Plan, referred to as EIP options, of which options to purchase 1,306,497 shares were outstanding as of March 31, 2010, including options to purchase 236,889 shares that were vested as of such date. These outstanding EIP options vest over the period from fiscal 2011 to fiscal 2016 based on the continued employment of the holder and the fulfillment of certain performance targets. Options are exercisable any time between vesting and ten years after grant date ranging from June 30, 2019 to June 30, 2020. The exercise prices of EIP options outstanding as of March 31, 2010 range from \$ to \$ per share and the weighted average exercise price for such outstanding EIP options is \$ . Assuming that all such options vest in accordance with their terms and are exercised, and that the fair market value of our Class A common stock at the time of such exercises were equal to \$ , the midpoint of the range set forth on the cover page of this prospectus, and after giving effect to the exercise of 31,383 options with an exercise price of \$ per share after the end of fiscal 2010, the expected reduction in our cash taxes over the exercise period for such options would be approximately \$ million in excess of the tax benefit for such awards reflected in our consolidated financial statements. There can be no assurance that any such options will vest and be exercised, as to the timing of any exercise or that the value of our stock at the time of any such exercise will not be less than such midpoint or that any such tax deduction will be realized. Any increase or decrease in the price of our Class A common stock at the time of any such exercise relative to such midpoint assumed above would likewise have the effect of increasing (in the case of a decrease in stock price) or decreasing (in the case of an increase in stock price) our future cash tax expense.

For further information regarding our outstanding options, including vesting and exercise terms, see "Executive Compensation — Executive Compensation Plans" and Note 17 to our consolidated financial statements.

#### ***Effects of Inflation***

50% of our revenue is derived from cost-reimbursable contracts as of March 31, 2010, which are generally completed within one year of the contract start date. Bids for longer-term fixed-price and time-and-materials contracts typically include sufficient provisions for labor and other cost escalations to cover anticipated cost increases over the period of performance. Consequently, revenue and costs have generally both increased commensurate with overall economic growth. As a result, net income as a percentage of total revenue has not been significantly impacted by inflation.

### **Seasonality**

The U.S. government's fiscal year ends on September 30 of each year. It is not uncommon for U.S. government agencies to award extra tasks or complete other contract actions in the weeks before the end of its fiscal year in order to avoid the loss of unexpended fiscal year funds. In addition, we also have generally experienced higher bid and proposal costs in the months leading up to the U.S. government's fiscal year-end as we pursue new contract opportunities being awarded shortly after the U.S. government fiscal year-end as new opportunities are expected to have funding appropriated in the U.S. government's subsequent fiscal year. We may continue to experience this seasonality in future periods, and our future periods may be affected by it.

Seasonality is just one of a number of factors, many of which are outside of our control, that may affect our results in any period. See "Risk Factors — Risks Relating to Our Common Stock and This Offering — Our financial results may vary significantly from period to period as a result of a number of factors, many of which are outside our control, which could cause the market value of our Class A common stock to decline."

### **Critical Accounting Estimates and Policies**

Our discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingencies at the date of the financial statements as well as the reported amounts of revenue and expenses during the reporting period. Management evaluates these estimates and assumptions on an ongoing basis. Our estimates and assumptions have been prepared on the basis of the most current reasonably available information. Actual results may differ from these estimates under different assumptions or conditions.

Our significant accounting policies, including the critical policies and practices listed below, are more fully described and discussed in the notes to the consolidated financial statements. We consider the following accounting policies to be critical to an understanding of our financial condition and results of operations because these policies require the most difficult, subjective or complex judgments on the part of our management in their application, often as a result of the need to make estimates about the effect of matters that are inherently uncertain, and are the most important to our financial condition and operating results.

#### ***Revenue Recognition and Cost Estimation***

Substantially all of our revenue is derived from contracts to provide professional services to the U.S. government and its agencies. In most cases, we recognize revenue as work is performed. For fixed-price contracts, we recognize revenue on the percentage-of-completion basis with progress toward completion of a particular contract based on actual costs incurred relative to total estimated costs to be incurred over the life of the contract. Profits on fixed-price contracts result from the difference between the incurred costs and the revenue earned. This method is followed where reasonably dependable estimates of revenue and costs under the contract can be made. Estimates of total contract revenue and costs are reviewed regularly and at least quarterly, and recorded revenue and costs are subject to revision as the contract progresses. Such revisions may result in increases or decreases to revenue and income, and are reflected in the financial statements in the periods in which they are first identified. If our estimates indicate that a contract loss will occur, a loss provision is recorded in the period in which the loss first becomes probable and reasonably estimable. Estimating costs under our long-term contracts is complex and involves significant judgment. Factors that must be considered in making estimates include labor productivity and availability, the nature and technical complexity of the work to be performed, potential performance delays, availability and timing of funding from the client, progress toward completion, and recoverability of claims. Adjustments to original estimates are often required as work progresses and additional information becomes known, even though the scope of the work required under the contract may not change. Any adjustment as a result of a change in estimates is made when facts develop, events become known or an adjustment is otherwise warranted, such as in the case of a contract modification. We have procedures and processes in place to monitor the actual progress of a project against estimates and our estimates are updated if circumstances are warranted.

We recognize revenue for cost-plus-fixed-fee contracts with the U.S. government as hours are worked based on reimbursable and allowable costs, recoverable indirect costs and an accrual for the fixed fee component of the contract. Many of our U.S. government contracts include award fees, which are earned based on the client's evaluation of our performance. We have significant history with the client for the majority of contracts on which we earn award fees. That history and management monitoring of performance form the basis for our ability to estimate such fees over the life of the contract. Based on these estimates, we recognize award fees as work on the contracts is performed.

Revenue earned under time-and-materials contracts is recognized as hours are worked based on contractually billable rates to the client. Costs on time-and-materials contracts are expensed as incurred.

#### ***Change in Accounting Principle for Revenue Recognition***

In 2010, we changed our methodology of recognizing revenue for all of our U.S. government contracts to apply the accounting guidance of Financial Accounting Standards Board, or FASB, Accounting Standard Codification, or ASC, Subtopic 605-35, as directed by ASC Topic 912, which permits revenue recognition on a percentage-of-completion basis. Previously, we applied this guidance only to contracts related to the construction or development of tangible assets. For contracts not related to those activities, we had applied the general revenue recognition guidance of Staff Accounting Bulletin, or SAB, Topic 13, "Revenue Recognition." Upon contract completion, both methods yield the same results, but we believe that the application of contract accounting under ASC 605-35 to all U.S. government contracts is preferable to the application of contract accounting under SAB Topic 13, based on the fact that the percentage of completion model utilized under ASC 605-35 is a recognized accounting model that better reflects the economics of a U.S. government contract during the contract performance period.

The only material financial impact resulting from the accounting change is the recognition of award fees based upon reliable estimates. The guidance in ASC 605-35 allows for award fees to be recorded over the life of a contract based on management's estimates of those total fees, to the extent we are able to make such estimates. We have concluded that these estimates, in prior and current periods, can be made based on our significant history with our portfolio of contracts and management's monitoring of fees earned on such contracts. Management concluded that accrual of award fees is appropriate for all of our existing cost-plus-award-fee contracts for which management is able to estimate the award fees. This change has been reflected in all periods presented in the audited consolidated financial statements and the unaudited financial data presented elsewhere in this prospectus.

In accordance with ASC Subtopic 250-10, "Accounting Changes and Error Corrections," all prior periods presented have been retrospectively adjusted to apply the new method of accounting. Refer to Note 2 to our consolidated financial statements for information on the effect of the change in accounting principle on our consolidated financial statements.

#### ***Goodwill and Intangible Impairment***

Goodwill represents the excess of the purchase price of an acquired business over the fair value of its net tangible and identifiable intangible assets. The fair value assessments involved in the calculation of goodwill require judgments and estimates that can be affected by contract performance and other factors over time, which may cause the amount of goodwill associated with a business to differ materially from original estimates.

We have identified a single reporting unit for purposes of testing goodwill. The goodwill of our reporting unit is tested for impairment annually on January 1 and whenever an event occurs or circumstances change such that it is reasonably possible that an impairment condition may exist. Events or circumstances that could trigger such an interim impairment test include a decline in market capitalization below book value, internal reports or reports by our competitors of a decrease in revenue or operating income or bankruptcies, lower than expected income during the current fiscal year or expected for the next fiscal year, current period operating or cash flow loss, loss of significant contracts, or projection of continuing income or cash flow losses associated with the use of a long-lived asset or group of assets.

Our goodwill impairment test is a two-step process performed at the reporting unit level. The first step consists of estimating the fair value of our reporting unit based on a discounted cash flow model using revenue and profit forecasts and comparing its estimated fair value with the carrying value, which includes the allocated goodwill. If the fair value is less than the carrying value, a second step is performed to compute the amount of the impairment by determining an implied fair value of goodwill. The implied fair value of goodwill is the residual fair value derived by deducting the fair value of the reporting unit's identifiable assets and liabilities from its estimated fair value calculated in step one. The impairment charge represents the excess of the carrying amount of the reporting unit's goodwill over the implied fair value of goodwill. The revenue and profit forecasts used in step one are based on management's best estimate of future revenue and operating costs. Changes in these forecasts could cause the reporting unit to either pass or fail the first step in the impairment test, which could significantly change the amount of the impairment recorded from step two. In addition, the estimated future cash flows are adjusted to present value by applying a discount rate. Changes in the discount rate impact the impairment by affecting the calculation of the fair value of the reporting unit in step one.

Our goodwill impairment test performed for fiscal 2010 did not result in any impairment of goodwill. For the year ended March 31, 2010, there were no triggering events indicative of goodwill or intangible impairment.

#### ***Stock-Based Compensation***

We use the Black-Scholes option-pricing model to determine the estimated fair value for stock options. The fair value of our stock on the date of the option grant is determined based on an external valuation prepared contemporaneously and approved by management and reviewed by the Board.

Critical inputs into the Black-Scholes option-pricing model include: the option exercise price; the fair value of the stock price; the expected life of the option in years; the annualized volatility of the stock; the annual rate of quarterly dividends on the stock; and the risk-free interest rate.

As we have no plans to issue regular dividends, a dividend yield of zero is used in the Black-Scholes model. Expected volatility is calculated as of each grant date based on reported data for a peer group of publicly traded companies for which historical information is available. We will continue to use peer group volatility information until our historical volatility can be regularly measured against an open market to measure expected volatility for future option grants. Other than the expected life of the option, volatility is the most sensitive input to our option grants. To be consistent with all other implied calculations, the same peer group used to calculate other implied metrics is also used to calculate implied volatility. While we are not aware of any news or disclosure by our peers that may impact their respective volatility, there is a risk that peer group volatility may increase, thereby increasing any prospective future compensation expense that will result from future option grants.

The risk-free interest rate used in the Black-Scholes option-pricing model is determined by referencing the U.S. Treasury yield curve rates with the remaining term equal to the expected life assumed at the date of grant. Due to the lack of historical exercise data, the average expected life is estimated based on internal qualitative and quantitative factors. As we obtain data associated with future exercises, the useful life of future grants will be adjusted accordingly.

Forfeitures are estimated based on our historical analysis of attrition levels. Forfeiture estimates will be updated annually for actual forfeitures. We do not expect this assumption to change materially, as attrition levels have historically been low.

As a privately held company, we obtained contemporaneous valuations by an independent valuation specialist for our fair value determinations. The valuations were based on several generally accepted valuation techniques: a discounted cash flow analysis, a comparable public company analysis, and for the most recent valuation, a comparative transaction analysis. Estimates used in connection with the discounted cash flow analysis were consistent with the plans and estimates that we use to manage the business although there is inherent uncertainty in these estimates. The valuation analysis results in a range of derived values with the

final value selected and approved by our Compensation Committee. The completion of the initial public offering may add value to the shares due to, among other things, increased liquidity and marketability; however, the extent (if any) of such additional value cannot be measured with precision or certainty and the shares could suffer a decrease in value.

#### **Accounting for Income Taxes**

Provisions for federal and state income taxes are calculated from the income reported on our financial statements based on current tax law and also include, in the current period, the cumulative effect of any changes in tax rates from those previously used in determining deferred tax assets and liabilities. Such provisions differ from the amounts currently receivable or payable because certain items of income and expense are recognized in different time periods for purposes of preparing financial statements than for income tax purposes.

Significant judgment is required in determining income tax provisions and evaluating tax positions. We establish reserves for income tax when, despite the belief that our tax positions are supportable, there remains uncertainty in a tax position in our previously filed income tax returns. For tax positions where it is more likely than not that a tax benefit will be sustained, we record the largest amount of tax benefit with a greater than 50% likelihood of being realized upon settlement with a taxing authority that has full knowledge of all relevant information. To the extent we prevail in matters for which accruals have been established or are required to pay amounts in excess of reserves, our effective tax rate in a given financial statement period may be materially impacted.

The carrying value of our net deferred tax assets assumes that we will be able to generate sufficient future taxable income in certain tax jurisdictions to realize the value of these assets. If we are unable to generate sufficient future taxable income in these jurisdictions, a valuation allowance is recorded when it is more likely than not that the value of the deferred tax assets is not realizable.

#### **Recent Accounting Pronouncements**

In October 2009, the FASB issued Accounting Standards Update, or ASU, No. 2009-13, *Revenue Recognition (Topic 605): Multiple-Deliverable Revenue Arrangements — a consensus of the FASB EITF 08-01*, to amend the revenue recognition guidance for arrangements with multiple deliverables under ASC 605-25, *Revenue Recognition: Multiple-Element Arrangements*. This guidance modifies the requirements for determining whether a deliverable can be treated as a separate unit of accounting by removing the criteria that verifiable and objective evidence of fair value exists for the undelivered elements.

In October 2009, the FASB issued ASU No. 2009-14, *Software (Topic 985): Certain Revenue Arrangements That Include Software Elements — a consensus of the FASB Emerging Issues Task Force*, to amend the revenue recognition guidance for certain arrangements that include software elements under FASB ASC 985-605, *Software: Revenue Recognition*. The amendment to ASC 985-605 focuses on determining which arrangements are within the scope of the software revenue guidance.

The changes in ASU No. 2009-13 and ASU No. 2009-14 are effective on a prospective basis for transactions entered into or materially modified for fiscal years beginning on or after June 15, 2010, or on a retrospective basis for all periods presented. Early adoption is permitted as of the beginning of our fiscal year provided we have not previously issued financial statements for any period within that year. We have adopted the guidance on a prospective basis effective April 1, 2010 and we believe that the guidance will not have material impact on our consolidated financial statements and disclosures. We are required to adopt both ASU No. 2009-13 and ASU No. 2009-14 in the same manner.

In March 2010, the FASB ratified Emerging Issues Task Force, or EITF, No. 08-9, *Milestone Method of Revenue Recognition*, relating to revenue recognition disclosures on research and development deliverables. Under the new guidance, entities with research and development arrangements, regardless of whether the arrangements have single or multiple deliverables, must make certain financial statement disclosures about the arrangements' milestones. These disclosures are now required to include a description of the overall



arrangement and its individual milestones, a conclusion as to whether the milestones are substantive, and the amount of consideration associated with the milestone recognized during the current period. Additionally, entities should disclose the list of factors they used in determining whether the milestones are substantive and any related contingent consideration. We are currently evaluating the impact, if any, that the guidance will have on our consolidated financial statements and disclosures. We would be required to adopt EITF No. 08-9 prospectively for all fiscal and interim periods after June 15, 2010, in accordance with the new standard.

Other recent accounting pronouncements issued by the FASB (including the EITF) and the American Institute of Certified Public Accountants were not or are not believed by management to have a material impact on our future consolidated financial statements.

### **Segment Reporting**

We report operating results and financial data in one operating and reportable segment. We manage our business as a single profit center in order to promote collaboration, provide comprehensive functional service offerings across our entire client base, and provide incentives to employees based on the success of the organization as a whole. Although certain information regarding served markets and functional capabilities is discussed for purposes of promoting an understanding of our complex business, we manage our business and allocate resources at the consolidated level of a single operating segment.

### **The Acquisition**

On July 31, 2008, pursuant to the Merger Agreement, the then-existing shareholders of Booz Allen Hamilton completed the spin off and sale of the commercial and international business to the commercial partners and the acquisition of Booz Allen Hamilton by Carlyle, through the merger of Booz Allen Hamilton with a wholly-owned indirect subsidiary of Booz Allen Holding. Booz Allen Holding was formed for the purpose of Carlyle indirectly acquiring Booz Allen Hamilton and was capitalized through (1) the sale of \$956.5 million of shares of Class A common stock by Booz Allen Holding to Coinvest and (2) \$1,240.3 million of net proceeds from indebtedness incurred under the Senior Credit Facilities and the Mezzanine Credit Facility. Booz Allen Holding acquired Booz Allen Hamilton for total consideration of \$1,828.0 million. The acquisition consideration was allocated to the acquired net assets, identified intangibles of \$353.8 million, and goodwill of \$1,163.1 million.

In connection with the Acquisition, Booz Allen Holding exchanged certain shares of its common stock for previously issued and outstanding shares of Booz Allen Hamilton. Fully vested shares of Booz Allen Hamilton were exchanged for vested shares of Booz Allen Holding, with a fair value of \$79.7 million. This amount was included as a component of the total acquisition consideration. Booz Allen Holding also issued restricted shares and options in exchange for previously issued and outstanding stock rights of Booz Allen Hamilton. Based on the vesting terms of the newly issued Booz Allen Holding Class C restricted common stock and the new options granted under the Officers' Rollover Stock Plan, the fair value of those awards, \$147.4 million, is recognized as compensation expense by us subsequent to the Acquisition as the restricted common stock and stock options vest over a period of three to five years. See "The Acquisition and Recapitalization Transaction."

### **The Recapitalization Transaction**

On December 11, 2009, we consummated the Recapitalization Transaction, which included amendments of the Senior Credit Facilities and the Mezzanine Credit Facility to, among other things, add the \$350.0 million Tranche C term facility under the Senior Credit Facilities and waive certain covenants to permit the Recapitalization Transaction. Net proceeds from the Tranche C term facility of \$341.3 million, along with cash on hand, were used to fund Booz Allen Hamilton's dividend payment of \$497.5 million, or \$46.42 per share, to all issued and outstanding shares of Booz Allen Holding's Class A common stock, Class B non-voting common stock and Class C restricted common stock. We also repaid a portion of the Deferred Payment Obligation in the amount of \$100.4 million, including \$22.4 million in accrued interest. As required by the Officers' Rollover Stock Plan and the Equity Incentive Plan, the exercise price per share of

each outstanding option was reduced in an amount equal to the reduction in the value of the common stock as a result of the dividend. Because the reduction in share value exceeded the exercise price for certain of the options granted under the Officers' Rollover Stock Plan, the exercise price for those options was reduced to the par value of the shares issuable on exercise, and the holders became entitled to receive on the option's fixed exercise date a cash payment equal to the excess of the reduction in share value as a result of the dividend over the reduction in exercise price, subject to vesting of the relation options. As of March 31, 2010, the total obligations for these cash payments was \$54.4 million. See "The Acquisition and Recapitalization Transaction."

#### **Basis of Presentation**

As discussed in more detail under "The Acquisition and Recapitalization Transaction," Booz Allen Hamilton was indirectly acquired by Carlyle on July 31, 2008. Immediately prior to the Acquisition, Booz Allen Hamilton spun off its commercial and international business and retained its U.S. government business. The accompanying consolidated and combined financial statements are presented for (1) the "Predecessor," which are the financial statements of Booz Allen Hamilton for the period preceding the Acquisition, and (2) the "Company," which are the financial statements of Booz Allen Holding and its consolidated subsidiaries for the period following the Acquisition. Prior to the Acquisition, Booz Allen Hamilton's U.S. government business is presented as the continuing operations of the Predecessor. The Predecessor's consolidated financial statements have been presented for the twelve months ended March 31, 2008 and the four months ended July 31, 2008. The operating results of the commercial and international business that was spun off by Booz Allen Hamilton effective July 31, 2008 have been presented as discontinued operations in the Predecessor consolidated financial statements and the related notes included in this prospectus. The Company's consolidated financial statements for periods subsequent to the Acquisition have been presented from August 1, 2008 through March 31, 2009 and for the twelve months ended March 31, 2010. The Predecessor's financial statements may not necessarily be indicative of the cost structure or results of operations that would have existed if the U.S. government business operated as a stand-alone, independent business. The Acquisition was accounted for as a business combination, which resulted in a new basis of accounting. The Predecessor's and the Company's financial statements are not comparable as a result of applying a new basis of accounting. See Notes 2, 4, and 24 to our consolidated financial statements for additional information regarding the accounting treatment of the Acquisition and discontinued operations.

The spin off of the commercial and international business, the acquisition of a majority ownership by Carlyle, the related application of the purchase accounting method and changes in our outstanding debt resulted in significant changes in, among other things, asset values, amortization expense, and interest expense. Additionally, the Predecessor's net loss for the four months ended July 31, 2008 includes approximately \$1.5 billion of stock compensation expense related to the accelerated vesting of a portion of existing rights to purchase common stock of the Company and the mark-up of the Predecessor's common stock to fair market value in anticipation of the Acquisition. The Acquisition purchase price was allocated to the Company's net tangible and identifiable intangible assets based upon their fair values as of August 1, 2008. The excess of the purchase price over the fair value of the net tangible and identifiable assets was recorded as goodwill.

The results of operations for fiscal 2008, the four months ended July 31, 2008 and the eight months ended March 31, 2009 are presented "as adjusted" to reflect the change in accounting principle related to our revenue recognition policies, as described in "— Critical Accounting Estimates and Policies."

#### **Results of Operations**

The following table sets forth items from our consolidated statements of operations for the periods indicated (in thousands). Included in the table below and set forth in the following discussion are unaudited pro forma results of operations for the twelve months ended March 31, 2009, or "pro forma 2009," assuming the Acquisition had been completed as of April 1, 2008. The unaudited pro forma condensed consolidated

results of operations for fiscal 2009 are based on our historical audited consolidated financial statements included elsewhere in this prospectus, adjusted to give pro forma effect to the Acquisition.

The unaudited pro forma condensed consolidated results of operations for fiscal 2009 are presented because management believes it provides a meaningful comparison of operating results enabling twelve months of fiscal 2009 to be compared with fiscal 2010 and fiscal 2008, adjusting for the impact of the Acquisition. The unaudited pro forma condensed consolidated financial statements are for informational purposes only and do not purport to represent what our actual results of operations would have been if the Acquisition had been completed as of April 1, 2008 or that may be achieved in the future. The unaudited pro forma condensed consolidated financial information and the accompanying notes should be read in conjunction with our historical audited consolidated financial statements and related notes appearing elsewhere in this prospectus and other financial information contained in "Prospectus Summary," "Risk Factors" and "The Acquisition and Recapitalization Transaction," in this prospectus.

	Predecessor		The Company			
	Fiscal Year Ended March 31, 2008 (As adjusted)	Four Months Ended July 31, 2008 (As adjusted)	Eight Months Ended March 31, 2009 (As adjusted) (In thousands)	Pro Forma Adjustments	Pro Forma Fiscal Year Ended March 31, 2009	Fiscal Year Ended March 31, 2010
Revenue	\$ 3,625,055	\$ 1,409,943	\$ 2,941,275	—	\$ 4,351,218	\$ 5,122,633
Operating costs and expenses:						
Cost of revenue	2,028,848	722,986	1,566,763	\$ 6,586 (a)	2,296,335	2,654,143
Billable expenses	935,459	401,387	756,933	—	1,158,320	1,361,229
General and administrative expenses	474,188	726,929	505,226	(508,328)(b)	723,827	811,944
Depreciation and amortization	33,079	11,930	79,665	14,740 (c)	106,335	95,763
Total operating costs and expenses	3,471,574	1,863,232	2,908,587	—	4,284,817	4,923,079
Operating income (loss)	153,481	(453,289)	32,688	—	66,401	199,554
Interest income	2,442	734	4,578	—	5,312	1,466
Interest (expense)	(2,319)	(1,044)	(98,068)	(47,691)(d)	(146,803)	(150,734)
Other expense, net	(1,931)	(54)	(128)	—	(182)	(1,292)
Income (loss) from continuing operations before income taxes	151,673	(453,653)	(60,930)	—	(75,272)	48,994
Income tax expense (benefit) from continuing operations	62,693	(56,109)	(22,147)	52,425 (e)	(25,831)	23,575
Income (loss) from continuing operations	88,980	(397,544)	(38,783)	—	\$ (49,441)	25,419
Loss from discontinued operations, net of tax	(71,106)	(848,371)	—	—	—	—
Net income (loss)	\$ 17,874	\$ (1,245,915)	\$ (38,783)	—	—	\$ 25,419

(a) Reflects additional stock-based compensation expense associated with options issued in exchange for stock rights under the stock rights plan that existed prior to the closing of the Acquisition for \$6.6 million (see Note 17 to our consolidated financial statements for additional information on our stock-based compensation).

(b) Consists of the following adjustments:

- Increase to rent expense of \$1.8 million due to the elimination of the July 31, 2008 deferred rent liability in accordance with the accounting treatment of leases associated with the business combination;
  - Increase to management fees paid to Carlyle of \$0.3 million (see Note 19 to our consolidated financial statements for additional information regarding the management fees);
  - Additional stock-based compensation expense of \$13.4 million associated with options issued in exchange for stock rights under the stock rights plan that existed prior to the closing of the Acquisition (see Note 17 to our consolidated financial statements for additional information on our stock-based compensation);
  - Reversal of \$511.7 million for a one-time acceleration of stock rights and the fair value mark-up of redeemable common shares immediately prior to the acquisition; and
  - Reversal of certain related transaction costs of \$12.2 million.
- (c) Reflects amortization expense of intangible assets established as part of purchase accounting and depreciation expense associated with the fair value of fixed assets associated with the Acquisition accounted for as a business combination for \$14.7 million.
- (d) Consists of the following adjustments:
- Reversal of interest expense of \$1.0 million recorded during the four months ended July 31, 2008 related to the Predecessor's previous debt outstanding prior to the Acquisition; and
  - Incurrence of additional interest expense of \$48.7 million associated with the new Senior Credit Facilities and Mezzanine Credit Facility established in conjunction with the Acquisition.
- (e) Reflects tax effect of the cumulative pro forma adjustments.

#### ***Financial and Other Highlights — Fiscal 2010***

We have a broad and diverse contract and client base and no single contract or task order accounted for more than a 10% impact on our revenue growth from pro forma 2009 to fiscal 2010. Key financial highlights during fiscal 2010 include:

- Revenue increased 17.7% over pro forma 2009 driven primarily by the deployment of approximately 1,500 net additional consulting staff during fiscal 2010 against funded backlog. Net additional consulting staff reflects newly hired consulting staff net of consulting staff attrition.
- Operating income for fiscal 2010 as a percentage of revenue increased to 3.9% in fiscal 2010 from 1.5% in pro forma 2009. The increase in operating margin reflects a reduction in the cost of revenue as a percentage of revenue driven by a decrease in Acquisition-related expenses and cost efficiencies across our overhead base primarily related to lower indirect labor costs. Operating income reflects a \$3.1 million reduction in reserves for costs in excess of funding appropriated under existing contracts, (ii) recognition of \$3.6 million of profits earned but unrecorded under existing contracts following a comprehensive contract review and (iii) recognition of \$2.1 million of profits earned under a contract that was terminated at the request of our counterparty and with our consent.
- Income from continuing operations before taxes for fiscal 2010 was \$49.0 million compared to a loss of \$75.3 million for pro forma 2009 due to an increase in operating income of \$133.2 million partially offset by a decrease in interest income and an increase in interest expense.

#### ***Fiscal 2010 Compared to Pro Forma 2009***

##### *Revenue*

Revenue increased to \$5,122.6 million in fiscal 2010 from \$4,351.2 million in pro forma 2009, or a 17.7% increase. This revenue increase was primarily driven by the deployment of approximately 1,500 net additional consulting staff during fiscal 2010 against funded backlog. Additions to funded backlog during fiscal 2010 totaled \$5.3 billion as a result of the conversion of unfunded backlog to funded backlog, the award

of new contracts and task orders under which funding was appropriated and the exercise and subsequent funding of priced options.

#### *Cost of Revenue*

Cost of revenue increased to \$2,654.1 million in fiscal 2010 from \$2,296.3 million in pro forma 2009, or a 15.6% increase, primarily due to increases in salaries and salary-related benefits of \$347.4 million and employer retirement plan contributions of \$27.8 million, partially offset by decreases in incentive compensation of \$13.9 million and \$4.5 million in stock-based compensation expense for new Rollover and EIP options for Class A common stock and restricted shares, in each case issued in connection with the Acquisition (stock-based compensation expense related to Rollover options and restricted shares issued in connection with the Acquisition and the initial grant of EIP options, collectively referred to as Acquisition-related compensation expense). The increase in salaries and salary-related benefits was driven by headcount growth of approximately 1,500 net additional consulting staff during fiscal 2010. Cost of revenue was 51.8% and 52.8% of revenue for fiscal 2010 and pro forma 2009, respectively.

#### *Billable Expenses*

Billable expenses increased to \$1,361.2 million in fiscal 2010 from \$1,158.3 million in pro forma 2009, or a 17.5% increase, primarily due to increased direct subcontractor expenses and, to a lesser extent, increases for travel and material expenses incurred to support delivery of additional services to our clients under new and existing contracts. Billable expenses as a percentage of revenue were 26.6% for each of fiscal 2010 and pro forma 2009.

#### *General and Administrative Expenses*

General and administrative expenses increased to \$811.9 million in fiscal 2010 from \$723.8 million in pro forma 2009, or a 12.2% increase, primarily due to increases in salaries and salary-related benefits of \$51.7 million, incentive compensation of \$32.0 million and other expenses associated with increased headcount across our general corporate functions, including finance, accounting, legal, and human resources, to prepare us for operating as a public company and support the increased scale of our business, partially offset by a decrease of \$9.0 million in Acquisition-related compensation expense. The increase in general and administrative expenses was also impacted by a decrease of \$16.1 million in fiscal 2010 compared to pro forma 2009 of transaction expenses. Transaction expenses in fiscal 2010 related to the payment of special dividends to holders of record of our Class A common stock, Class B non-voting common stock and Class C restricted stock as of July 29, 2009 and December 8, 2009, and transaction expenses in pro forma 2009 related to the Acquisition, including legal, tax and accounting expenses. General and administrative expenses as a percentage of revenue were 15.9% and 16.6% for fiscal 2010 and pro forma 2009, respectively.

#### *Depreciation and Amortization*

Depreciation and amortization decreased to \$95.8 million in fiscal 2010 from \$106.3 million in pro forma 2009, or a 9.9% decrease, primarily due to a decrease of \$17.2 million in the amortization of our intangible assets, including below market rate leases and contract backlog, that were recorded in connection with the Acquisition and amortized based on contractual lease terms and projected future cash flows, respectively, thereby reflecting higher amortization expense initially, and declining expense in subsequent periods. Intangible asset amortization expense decreased to \$3.4 million per month in fiscal 2010 compared to \$4.8 million per month in pro forma 2009.

#### *Interest Income, Interest (Expense) and Other Expense*

Interest income is primarily related to interest on late client payments, as well as interest earned on our cash balances. Interest income decreased to \$1.5 million in fiscal 2010 from \$5.3 million in pro forma 2009, or a 72.4% decrease, due to declining interest rates in the marketplace as well as lower cash balances resulting from the Recapitalization Transaction.

Interest expense increased to \$150.7 million in fiscal 2010 from \$146.8 million in pro forma 2009, or a 2.7% increase, primarily due to debt incurred in connection with the Recapitalization Transaction in December 2009. In connection with the Recapitalization Transaction in December 2009, we amended and restated our Senior Credit Facilities to add the Tranche C term facility. This increase also reflects an increase of \$2.6 million in amortization of debt issuance costs. Interest accrued on our approximately \$1.6 billion of debt as of March 31, 2010 at contractually specified rates ranging from 4.0% to 13.0%, and is generally required to be paid to our syndicate of lenders each quarter. This increase was partially offset by a decrease in interest expense related to the Deferred Payment Obligation. In December 2009, we repaid \$78.0 million of the original Deferred Payment Obligation plus interest accrued on the Deferred Payment Obligation of \$22.4 million. Interest continues to be accrued subsequent to December 2009 on the remaining \$80.0 million of the Deferred Payment Obligation.

Other expense increased to \$1.3 million in fiscal 2010 from \$0.2 million in pro forma 2009.

*Income (Loss) from Continuing Operations before Income Taxes*

Pre-tax income (loss) was an income of \$49.0 million in fiscal 2010 compared to a loss of \$75.3 million in pro forma 2009. This increase was primarily due to revenue growth, cost efficiencies across our overhead base, lower indirect cost spending and lower Acquisition-related compensation expense.

*Income Tax Expense (Benefit) from Continuing Operations*

Income tax expense (benefit) was an expense of \$23.6 million in fiscal 2010 compared to a benefit of \$25.8 million in pro forma 2009, primarily due to pre-tax income in fiscal 2010 compared to a pre-tax loss in pro forma 2009. The effective tax rate in pro forma 2009 of 34.3% reflects the impact of state taxes and the limitations on the deductibility of meals and entertainment expenses. This effective tax rate does not equate to future cash expenses for tax, as our NOLs are expected to be used to satisfy a portion of our future tax obligations.

**Pro Forma 2009 Compared to Fiscal 2008**

*Revenue*

Revenue increased to \$4,351.2 million in pro forma 2009 from \$3,625.1 million in fiscal 2008, or a 20.0% increase. This revenue increase was primarily driven by the deployment of approximately 2,700 net additional consulting staff during pro forma 2009 against funded backlog. Additions to funded backlog during pro forma 2009 totaled \$4.8 billion as a result of the conversion of unfunded backlog to funded backlog, the award of new contracts and task orders under which funding was appropriated and the exercise and subsequent funding of priced options.

*Cost of Revenue*

Cost of revenue increased to \$2,296.3 million in pro forma 2009 from \$2,028.8 million in fiscal 2008, or a 13.2% increase, primarily due to increased salaries and salary-related benefits of \$330.9 million, employer retirement plan contributions of \$16.3 million and incentive compensation of \$4.4 million, partially offset by a decrease in stock-based compensation expense of \$7.9 million from fiscal 2008 to pro forma 2009. The increase in salaries and salary-related benefits was driven by headcount growth of approximately 2,700 net additional consulting staff during pro forma 2009. Cost of revenue was 52.8% and 56.0% of revenue for pro forma 2009 and fiscal 2008, respectively.

*Billable Expenses*

Billable expenses increased to \$1,158.3 million in pro forma 2009 from \$935.5 million in fiscal 2008, or a 23.8% increase, primarily due to an increase in direct subcontractor expenses of \$89.9 million to support

delivery of additional services to our clients under new and existing contracts. Billable expenses as a percentage of revenue were 26.6% and 25.8% for pro forma 2009 and fiscal 2008, respectively.

#### *General and Administrative Expenses*

General and administrative expenses increased to \$723.8 million in pro forma 2009 from \$474.2 million in fiscal 2008, or a 52.6% increase, primarily due to increases in salaries and salary-related benefits of \$33.0 million, incentive compensation of \$28.3 million and related compensation associated with our increased headcount. Additionally, pro forma 2009 included the impact of Acquisition-related compensation expense of \$55.0 million. The increase also reflects an increase of \$14.2 million of transaction expenses related to the Acquisition, including legal, tax and accounting expenses. General and administrative expenses as a percentage of revenue were 16.6% and 13.1% for pro forma 2009 and fiscal 2008, respectively.

#### *Depreciation and Amortization*

Depreciation and amortization expenses increased to \$106.3 million in pro forma 2009 from \$33.1 million in fiscal 2008, primarily due to the amortization of our intangible assets of \$57.8 million, including below market rate leases and contract backlog, that were recorded in connection with the Acquisition and amortized based on contractual lease terms and projected future cash flows, respectively, thereby reflecting higher amortization expense initially, and declining expense in subsequent periods.

#### *Interest Income, Interest (Expense) and Other Income (Expense)*

Interest income increased to \$5.3 million in pro forma 2009 from \$2.4 million in fiscal 2008, primarily due to interest earned on the additional cash maintained during the twelve months of operations of pro forma 2009.

Interest expense increased to \$146.8 million in pro forma 2009 from \$2.3 million in fiscal 2008, primarily due to the interest expense incurred associated with the new Senior Credit Facilities, Mezzanine Credit Facility and Deferred Payment Obligation. The increase also reflects amortization of \$3.1 million of debt issuance costs.

Other expense decreased to \$0.2 million in pro forma 2009 from \$1.9 million in fiscal 2008.

#### *Income (Loss) from Continuing Operations before Income Taxes*

Pre-tax income (loss) was a loss of \$75.3 million in pro forma 2009 compared to an income of \$151.7 million in fiscal 2008, primarily due to interest expense incurred in connection with the new Senior Credit Facilities and Mezzanine Credit Facility and the Deferred Payment Obligation.

#### *Income Taxes Expense (Benefit) from Continuing Operations*

Income tax expense (benefit) was a benefit of \$25.8 million in pro forma 2009 compared to an expense of \$62.7 million in fiscal 2008, primarily due to a pre-tax loss in pro forma 2009, compared to a pre-tax income in fiscal 2008.

#### ***Fiscal 2010 Compared to Eight Months Ended March 31, 2009***

##### *Revenue*

Revenue increased to \$5,122.6 million in fiscal 2010 from \$2,941.3 million in the eight months ended March 31, 2009, or a 74.2% increase, primarily due to twelve months of operations included in fiscal 2010 compared to eight months of operations included in the comparison period. This revenue increase was primarily driven by the deployment of approximately 1,500 net additional consulting staff during fiscal 2010 against funded backlog. Additions to funded backlog during fiscal 2010 totaled \$5.3 billion as a result of the conversion of unfunded backlog to funded backlog, the award of new contracts and task orders under which funding was appropriated and the exercise and subsequent funding of priced options.

#### *Cost of Revenue*

Cost of revenue increased to \$2,654.1 million in fiscal 2010 from \$1,566.8 million in the eight months ended March 31, 2009, or a 69.4% increase, primarily due to twelve months of operations included in fiscal 2010 compared to eight months of operations included in the comparison period. Increased salaries and salary-related benefits of \$987.5 million, employer retirement plan contributions of \$76.3 million, incentive compensation of \$24.5 million, and Acquisition-related compensation expense of \$2.1 million also contributed to the increase. The increase in salaries and salary-related benefits was driven by headcount growth of approximately 1,500 net additional consulting staff during fiscal 2010. Cost of revenue was 51.8% and 53.3% of revenue for fiscal 2010 and the eight months ended March 31, 2009, respectively.

#### *Billable Expenses*

Billable expenses increased to \$1,361.2 million in fiscal 2010 from \$756.9 million in the eight months ended March 31, 2009, or a 79.8% increase, primarily due to twelve months of operations included in fiscal 2010 compared to eight months of operations included in the comparison period. An increase in direct subcontractor expenses of \$569.7 million and travel expenses of \$32.5 million, incurred to support delivery of additional services to our clients under new and existing contracts, also contributed to the increase. Billable expenses as a percentage of revenue were 26.6% and 25.7% for fiscal 2010 and the eight months ended March 31, 2009, respectively.

#### *General and Administrative Expenses*

General and administrative expenses increased to \$811.9 million in fiscal 2010 from \$505.2 million in the eight months ended March 31, 2009, or a 60.7% increase, primarily due to twelve months of operations included in fiscal 2010 compared to eight months of operations included in the comparison period. This increase also reflects increased salaries and salary-related benefits of \$124.1 million, incentive compensation of \$37.4 million, employer retirement plan contributions of \$14.6 million, Acquisition-related compensation expense of \$4.3 million, and other expenses associated with increased headcount across our general corporate functions, including finance, accounting, legal, and human resources, to prepare us for operating as a public company and to support the increased scale of our business. General and administrative expenses as a percentage of revenue were 15.9% and 17.2% for fiscal 2010 and the eight months ended March 31, 2009, respectively. General and administrative expenses as a percentage of revenue declined in fiscal 2010 as compared to the eight months ended March 31, 2009 as we continued to leverage our corporate infrastructure over a larger revenue base.

#### *Depreciation and Amortization*

Depreciation and amortization increased to \$95.8 million in fiscal 2010 from \$79.7 million in the eight months ended March 31, 2009, or a 20.2% increase, primarily due to twelve months of operations included in fiscal 2010 compared to eight months of operations included in the comparison period. This increase also reflects the amortization of certain of our intangible assets, including below-market rate leases and contract backlog, that were recorded in connection with the Acquisition and amortized based on contractual lease terms and projected future cash flows, respectively.

#### *Interest Income and Interest (Expense)*

Our interest income decreased to \$1.5 million in fiscal 2010 from \$4.6 million in the eight months ended March 31, 2009, or a decrease of 68.0%, due to declining interest rates in the marketplace, as well as lower cash balances resulting from the Recapitalization Transaction.

Interest expense increased to \$150.7 million in fiscal 2010 from \$98.1 million in the eight months ended March 31, 2009, or a 53.7% increase, primarily due to twelve months of operations included in fiscal 2010 compared to eight months of operations included in the comparison period. Debt incurred in connection with the Recapitalization Transaction in December 2009 also contributed to the increase. In connection with the Recapitalization Transaction in December 2009, we amended and restated our Senior Credit Facilities to add



the Tranche C term facility. Interest accrued on our approximately \$1.6 billion of debt as of March 31, 2010 at contractually specified rates ranging from 4.0% to 13.0%, and is generally required to be paid to our syndicate of lenders each quarter. In December 2009, we also repaid \$78.0 million of the original Deferred Payment Obligation plus interest accrued on the Deferred Payment Obligation of \$22.4 million. Interest continues to be accrued subsequent to December 2009 on the remaining \$80.0 million of the Deferred Payment Obligation.

*Income (Loss) from Continuing Operations before Income Taxes*

Pre-tax income (loss) was an income of \$49.0 million in fiscal 2010 compared to a loss of \$60.9 million in the eight months ended March 31, 2009. This increase was primarily due to stronger revenue growth, cost efficiency across our overhead base and lower indirect costs.

*Income Tax Expense (Benefit) from Continuing Operations*

Income tax expense (benefit) was an expense of \$23.6 million in fiscal 2010 compared to a benefit of \$22.1 million in the eight months ended March 31, 2009, primarily due to a pre-tax income in fiscal 2010 as opposed to a pre-tax loss in the eight months ended March 31, 2009.

Our effective tax rate increased from 36.3% as of March 31, 2009 to an annual rate of 48.1% as of March 31, 2010. This effective rate is higher than the statutory rate of 35% primarily due to state taxes and the limitations on the deductibility of meal and entertainment expenses. This effective tax rate does not equate to future cash expenses for tax, as our NOLs are expected to be used to satisfy a portion of our future tax obligations.

***Eight Months Ended March 31, 2009 Compared to Four Months Ended July 31, 2008***

*Revenue*

Revenue increased to \$2,941.3 million in the eight months ended March 31, 2009 from \$1,409.9 million in the four months ended July 31, 2008, or a 108.6% increase, primarily due to eight months of operations included in the eight months ended March 31, 2009 compared to four months of operations included in the comparison period.

*Cost of Revenue*

Cost of revenue increased to \$1,566.8 million in the eight months ended March 31, 2009 from \$723.0 million in the four months ended July 31, 2008, or a 116.7% increase, primarily due to eight months of operations included in the eight months ended March 31, 2009 compared to four months of operations included in the comparison period. In the eight months ended March 31, 2009, we experienced increased salaries and salary-related benefits of \$692.1 million, employer retirement plan contributions of \$56.1 million, Acquisition-related compensation expense of \$20.5 million, and incentive compensation of \$45.3 million. The increase in salary and salary-related benefits resulted from our need to staff new contract and task order awards as well as additional work under existing contracts. Cost of revenue was 53.3% and 51.3% of revenue for the eight months ended March 31, 2009 and the four months ended July 31, 2008, respectively.

*Billable Expenses*

Billable expenses increased to \$756.9 million in the eight months ended March 31, 2009 from \$401.4 million in the four months ended July 31, 2008, or a 88.6% increase, primarily due to eight months of operations included in the eight months ended March 31, 2009 compared to four months of operations included in the comparison period. Billable expenses as a percentage of revenue were 25.7% and 28.5% in the eight months ended March 31, 2009 and the four months ended July 31, 2008, respectively. The decrease in billable expenses as a percentage of revenue in the eight months ended March 31, 2009 was due to a higher proportion of subcontractor and material spending in the four months ended July 31, 2008.

#### *General and Administrative Expenses*

General and administrative expenses decreased to \$505.2 million in the eight months ended March 31, 2009 from \$726.9 million in the four months ended July 31, 2008, or a 30.5% decrease, primarily related to stock-based compensation expense of \$511.7 million associated with a one-time acceleration of stock rights and the fair value mark-up of redeemable common shares immediately prior to the Acquisition in July 2008 compared to \$41.6 million of Acquisition-related compensation expense in the eight months ended March 31, 2009. The decrease was partially offset by an increase in salaries and salary-related expenses of \$69.4 million, incentive compensation of \$28.9 million, and other expenses during the eight months ended March 31, 2009 as we increased headcount across our general corporate functions following the Acquisition. General and administrative expenses as a percentage of revenue were 17.2% and 51.6% in the eight months ended March 31, 2009 and the four months ended July 31, 2008, respectively.

#### *Depreciation and Amortization*

Depreciation and amortization increased to \$79.7 million in the eight months ended March 31, 2009 from \$11.9 million in the four months ended July 31, 2008 primarily due to the amortization of certain of our intangible assets recorded in connection with the Acquisition. The increase also reflects eight months of operations included in the eight months ended March 31, 2009 compared to four months of operations included in the comparison period.

#### *Interest Income and Interest (Expense)*

Interest income increased to \$4.6 million in the eight months ended March 31, 2009 from \$0.7 million in the four months ended July 31, 2008 primarily due to eight months of operations included in the eight months ended March 31, 2009 compared to four months of operations included in the comparison period. Interest earned on the additional cash maintained during the eight months ended March 31, 2009 also contributed to this increase.

Interest expense increased to \$98.1 million in the eight months ended March 31, 2009 from \$1.0 million in the four months ended July 31, 2008 primarily due to debt incurred in connection with the Acquisition. Prior to the Acquisition, our debt consisted of an unsecured line of credit in the amount of \$245.0 million, which accrued interest at an interest rate of 3.05% for the four months ended July 31, 2008. In connection with the Acquisition in July 2008, we incurred significant interest-bearing debt with a syndicate of lenders which held two term loans under the Senior Credit Facilities (Tranche A and Tranche B) and a mezzanine loan under the Mezzanine Credit Facility. During the eight months ended March 31, 2009, interest accrued on our debt at contractually specified rates ranging from 4.0% to 13.0%, and was generally paid to our syndicate of lenders each quarter. Additionally, in connection with the Acquisition, we incurred a \$158.0 million Deferred Payment Obligation, which accrues interest at a rate of 5.0% per six-month period.

#### *Income (Loss) from Continuing Operations before Income Taxes*

Pre-tax loss decreased to a loss of \$60.9 million in the eight months ended March 31, 2009 from a loss of \$453.7 million in the four months ended July 31, 2008, or a 86.6% decrease, primarily due to stock-based compensation expense related to a one-time acceleration of stock rights and the fair value mark-up of redeemable common stock in connection with the Acquisition and significant transaction related costs in the four months ended July 31, 2008, partially offset by increased interest expense associated with the debt incurred as part of the Acquisition and the recognition of stock compensation expense related to new stock option plans following the Acquisition.

#### *Income Tax Expense (Benefit) from Continuing Operations*

Income tax benefit decreased to a benefit of \$22.1 million in the eight months ended March 31, 2009 from a benefit of \$56.1 million in the four months ended July 31, 2008, or a 60.5% decrease, primarily due to a decrease in the pre-tax loss in the eight months ended March 31, 2009 compared to the four months ended July 31, 2008, and the tax treatment of certain costs related to the Acquisition. Our effective tax rate of 12.4%

for the four months ended July 31, 2008 was reflective of non-deductible Acquisition-related costs incurred during the period, primarily equity compensation, for which there was no corresponding tax benefit. The effective tax rate of 36.3% for the eight months ended March 31, 2009 was higher than the statutory rate of 35% primarily due to state taxes.

#### ***Four Months Ended July 31, 2008 Compared to Fiscal 2008***

##### *Revenue*

Revenue decreased to \$1,409.9 million in the four months ended July 31, 2008 from \$3,625.1 million in fiscal 2008, or a 61.1% decrease, primarily due to four months of operations included in the four months ended July 31, 2008 compared to twelve months of operations included in fiscal 2008.

##### *Cost of Revenue*

Cost of revenue decreased to \$723.0 million in the four months ended July 31, 2008 from \$2,028.8 million in fiscal 2008, or a 64.4% decrease, primarily due to four months of operations included in the four months ended July 31, 2008 compared to twelve months of operations included in fiscal 2008. Cost of revenue was 51.3% and 56.0% of revenue for the four months ended July 31, 2008 and fiscal 2008, respectively.

##### *Billable Expenses*

Billable expenses decreased to \$401.4 million in the four months ended July 31, 2008 from \$935.5 million in fiscal 2008, or a 57.1% decrease, primarily due to four months of operations included in the four months ended July 31, 2008 compared to twelve months of operations included in fiscal 2008. Billable expenses as a percentage of revenue were 28.5% and 25.8% for the four months ended July 31, 2008 and fiscal 2008, respectively.

##### *General and Administrative Expenses*

General and administrative expenses increased to \$726.9 million in the four months ended July 31, 2008 from \$474.2 million in fiscal 2008, or a 53.3% increase, primarily due to stock-based compensation expense of \$511.7 million associated with a one-time acceleration of stock rights and the fair value mark-up of redeemable common shares immediately prior to the Acquisition. General and administrative expenses as a percentage of revenue were 51.6% and 13.1% for the four months ended July 31, 2008 and fiscal 2008, respectively. General and administrative expenses as a percentage of revenue for the four months ended July 31, 2008 were significantly higher due to the stock-based compensation expense recorded in connection with the Acquisition.

##### *Depreciation and Amortization*

Depreciation and amortization expenses decreased to \$11.9 million in the four months ended July 31, 2008 from \$33.1 million in fiscal 2008, or a 63.9% decrease, primarily due to four months of operations included in the four months ended July 31, 2008 compared to twelve months of operations included in fiscal 2008.

##### *Interest Income and Interest (Expense)*

Interest income decreased to \$0.7 million in the four months ended July 31, 2008 from \$2.4 million in fiscal 2008, or a 69.9% decrease, primarily due to four months of operations included in the four months ended July 31, 2008 compared to twelve months of operations included in fiscal 2008.

Interest expense decreased to \$1.0 million in the four months ended July 31, 2008 from \$2.3 million in fiscal 2008, or a 55.0% decrease, primarily due to four months of operations included in the four months ended July 31, 2008 compared to twelve months of operations included in fiscal 2008.

*Income (Loss) from Continuing Operations before Income Taxes*

Pre-tax income (loss) was a loss of \$453.7 million in the four months ended July 31, 2008 compared to an income of \$151.7 million in fiscal 2008, primarily due to the increased stock compensation expense related to a one-time acceleration of stock rights and the fair value mark-up of redeemable common stock in anticipation of the Acquisition.

*Income Taxes Expense (Benefit) from Continuing Operations*

Income tax expense (benefit) was a benefit of \$56.1 million in the four months ended July 31, 2008 compared to an expense of \$62.7 million in fiscal 2008, primarily due to a pre-tax loss for the four months ended July 31, 2008 compared to a pre-tax income in fiscal 2008. Our effective tax rate of 41.3% for fiscal 2008 was higher than the statutory rate of 35%, primarily due to state taxes and equity compensation. Our effective tax rate of 12.4% for the four months ended July 31, 2008 reflected a reduction to the calculated tax benefit at the U.S. statutory and state income tax rate due to non-deductible Acquisition-related costs incurred during the period, primarily equity compensation, for which there was no corresponding tax benefit.

**Liquidity and Capital Resources**

We have historically funded our operations, debt payments, capital expenditures, and discretionary funding needs from our cash from operations. We had \$420.9 million and \$307.8 million in cash and cash equivalents at March 31, 2009 and March 31, 2010, respectively. We expect to use all of the net proceeds of this offering to repay \$ million of the term loan under the Mezzanine Credit Facility, which was \$545.2 million as of March 31, 2010, and pay a related prepayment penalty of \$ . As of March 31, 2010, on a pro forma basis after giving effect to this offering and the use of the net proceeds therefrom, we would have had outstanding approximately \$ million in total indebtedness. Following the completion of this offering and the use of the net proceeds therefrom, our primary sources of liquidity will be cash flow from operations, either from the payment of invoices for work performed or for advances in excess of costs incurred, and available borrowings under our Senior Credit Facilities.

Our primary uses of cash following this offering will be for:

- operating expenses, including salaries;
- working capital requirements to fund the growth of our business;
- capital expenditures which primarily relate to the purchase of computers, business systems, furniture and leasehold improvements to support our operations; and
- debt service requirements for borrowing under our Senior Credit Facilities and Mezzanine Credit Facility.

We do not currently intend to declare or pay dividends to holders of our common stock. Our ability to pay dividends to our shareholders is limited as a practical matter by restrictions in the credit agreements governing our Senior Credit Facilities and Mezzanine Credit Facility. Any future determination to pay a dividend is subject to the discretion of our Board, and will depend upon various factors, including our results of operations, financial condition, liquidity requirements, restrictions that may be imposed by applicable law and our contracts, our ability to negotiate amendments to the credit agreements governing our Senior Credit Facilities and Mezzanine Credit Facility, and other factors deemed relevant by our Board and our creditors.

By selling shares of our Class A common stock to the public in this offering, we will be able to expand ownership in the firm, gain access to the public capital markets, and pay off a portion of the indebtedness that we incurred in connection with the Recapitalization Transaction. We do not expect our transition to or existence as a public company to affect our client focus or day-to-day operations.

Generally, cash provided by operating activities has been adequate to fund our operations. Due to fluctuations in our cash flows and the growth in our operations, it may be necessary from time to time in the future to borrow under our Credit Facilities to meet cash demands. We anticipate that cash provided by

operating activities, cash and cash equivalents, and borrowing capacity under our revolving credit facility will be sufficient to meet our anticipated cash requirements for the next twelve months.

### Cash Flows

Cash received from clients, either from the payment of invoices for work performed or for advances in excess of costs incurred, is our primary source of cash. We generally do not begin work on contracts until funding is appropriated by the client. Billing timetables and payment terms on our contracts vary based on a number of factors, including whether the contract type is cost-reimbursable, time-and-materials, or fixed-price. We generally bill and collect cash more frequently under cost-reimbursable and time-and-materials contracts, as we are authorized to bill as the costs are incurred or work is performed. In contrast, we may be limited to bill certain fixed-price contracts only when specified milestones, including deliveries, are achieved. A number of our contracts may provide for performance-based payments, which allow us to bill and collect cash prior to completing the work.

Accounts receivable is the principal component of our working capital and is generally driven by revenue growth with other short-term fluctuations related to the payment practices of our clients. Our accounts receivable reflect amounts billed to our clients as of each balance sheet date. Our clients generally pay our invoices within 30 days of the invoice date. At any month-end, we also include in accounts receivable the revenue that was recognized in the preceding month, which is generally billed early in the following month. Finally, we include in accounts receivable amounts related to revenue accrued in excess of amounts billed, primarily on our fixed-price contracts and cost-plus-award-fee contracts. The total amount of our accounts receivable can vary significantly over time, but is generally sensitive to revenue levels. Total accounts receivable (billed and unbilled combined, net of allowance for doubtful accounts) days sales outstanding, or DSO, was 91, 73, and 69 as of March 31, 2008, March 31, 2009, and March 31, 2010, respectively.

The table below sets forth our net cash flows for continuing operations for the periods presented.

	Predecessor		The Company	
	Twelve Months Ended March 31, 2008	Four Months Ended July 31, 2008	Eight Months Ended March 31, 2009	Twelve Months Ended March 31, 2010
			(In thousands)	
Net cash provided by (used in) operating activities	\$ 43,791	\$ (26,548)	\$ 180,709	\$ 270,484
New cash (used in) provided by investing activities	(35,179)	(162,976)	(1,660,518)	(10,991)
Net cash from (used in) financing activities	(4,761)	211,112	1,900,711	(372,560)
Total increase (decrease) in cash and cash equivalents	<u>\$ 3,851</u>	<u>\$ 21,588</u>	<u>\$ 420,902</u>	<u>\$ (113,067)</u>

### Net Cash from Operating Activities

Net cash from operations is primarily affected by the overall profitability of our contracts, our ability to invoice and collect from our clients in a timely manner, and our ability to manage our vendor payments. During fiscal 2010, our net cash provided by operations was \$270.5 million, compared to \$180.7 million in the eight months ended March 31, 2009 and net cash used in operations of \$26.5 million in the four months ended July 31, 2008. The increase in net cash provided by operations in fiscal 2010 compared to the eight months ended March 31, 2009 was primarily due to the twelve months of operations included in fiscal 2010 compared to eight months included in the eight months ended March 31, 2009. This increase was also due to improved management of vendor payments and improved cash collection in fiscal 2010, partially offset by accrued compensation and benefits, which included payment of employee bonuses and annual funding of the Employees' Capital Accumulation Plan, our defined contribution plan.

The increase in net cash provided by operations in the eight months ended March 31, 2009 compared to the four months ended July 31, 2008 was primarily due to the eight months of operations included in the eight

months ended March 31, 2009 compared to four months included in the four months ended July 31, 2008. This increase was also due to a loss from discontinued operations in the four months ended July 31, 2008 and transaction costs related to the Acquisition in the four months ended July 31, 2008.

Net cash used in operations of the Predecessor was \$26.5 million in the four months ended July 31, 2008 compared to net cash provided by operations of \$43.8 million in fiscal 2008, primarily due to a loss from discontinued operations in the four months ended July 31, 2008, as well as transaction costs related to the Acquisition during that period.

#### *Net Cash from Investing Activities*

Net cash used in investing activities was \$11.0 million for fiscal 2010 compared to \$1,660.5 million in the eight months ended March 31, 2009 and \$163.0 million in the four months ended July 31, 2008. The decrease in fiscal 2010 compared to the eight months ended March 31, 2009 and the increase in the eight months ended March 31, 2009 compared to the four months ended July 31, 2008, were primarily due to \$1.6 billion of cash paid in connection with the Acquisition, net of cash acquired of \$28.7 million, which was recorded in the eight months ended March 31, 2009. In fiscal 2010, this was partially offset by an increase in capital expenditures and expenditures for internally developed software.

Net cash used in investing activities of the Predecessor was \$163.0 million in the four months ended July 31, 2008 compared to \$35.2 million in fiscal 2008, primarily due to the Predecessor's investments of \$153.7 million in its discontinued operations during the four months ended July 31, 2008.

#### *Net Cash from Financing Activities*

Net cash from financing activities are primarily associated with proceeds from debt and the repayment thereof. Net cash used in financing activities was \$372.6 million in fiscal 2010, compared to net cash from financing activities of \$1,900.7 million in the eight months ended March 31, 2009 and net cash from financing activities of \$211.1 million in the four months ended July 31, 2008. The increase in net cash used in financing activities in fiscal 2010 compared to the eight months ended March 31, 2009 was primarily due to the payment of \$612.4 million in special dividends and repayment of \$100.4 million of the Deferred Payment Obligation and related accrued interest, partially offset by net proceeds of \$341.3 million from loans under Tranche C of the Senior Credit Facilities. The increase in net cash used in financing activities in the eight months ended March 31, 2009 compared to the four months ended July 31, 2008 was primarily due to several factors relating to the Acquisition, including proceeds of \$1.2 billion related to the Senior Credit Facilities and the Mezzanine Credit Facility (offset by debt issuance costs of \$45.0 million) and proceeds from the issuance of common stock in connection with the Acquisition of \$956.5 million, partially offset by repayment of \$251.1 million of outstanding debt, which were recorded in the eight months ended March 31, 2008.

Net cash from financing activities of the Predecessor was \$211.1 million in the four months ended July 31, 2008 compared to net cash used in financing activities of \$4.8 million in fiscal 2008, primarily due to proceeds from debt of \$227.5 million during the four months ended July 31, 2008.

#### *Indebtedness*

In connection with the Acquisition, we entered into a series of financing transactions. See "The Acquisition and Recapitalization Transaction" and "Description of Certain Indebtedness."

In connection with the Acquisition, Booz Allen Hamilton, as borrower, and Booz Allen Investor, as guarantor, entered into the Senior Credit Facilities. The Senior Credit Facilities consist of a \$125.0 million Tranche A term facility, a \$585.0 million Tranche B term facility, a \$350.0 million Tranche C term facility and a \$245.0 million revolving credit facility. As of March 31, 2010, we had \$110.8 million outstanding under the Tranche A term facility, \$566.8 million outstanding under the Tranche B term facility, and \$345.8 million outstanding under the Tranche C term facility. As of March 31, 2010, no amounts had been drawn under the revolving credit facility. As of March 31, 2010, we were contingently liable under open standby letters of credit and bank guarantees issued by our banks in favor of third parties that total \$1.4 million. These letters of

credit and bank guarantees primarily relate to leases and support of insurance obligations. These instruments reduce our available borrowings under the revolving credit facility. As of March 31, 2010, we had \$222.4 million of capacity available for additional borrowings under the revolving credit facility (excluding the \$21.3 million commitment by the successor entity to Lehman Brothers Commercial Bank).

In connection with the Acquisition, Booz Allen Hamilton, as borrower, and Booz Allen Investor, as guarantor, entered into the Mezzanine Credit Facility, which consists of a \$550.0 million term loan. As of March 31, 2010, we had \$545.2 million of term loans outstanding under the Mezzanine Credit Facility.

The loans under the Senior Credit Facilities are secured by substantially all of our assets and none of such assets will be available to satisfy the claims of our general creditors. The credit agreement governing the Senior Credit Facilities requires the maintenance of certain financial and non-financial covenants. The loans under the Mezzanine Credit Facility are unsecured, and likewise the credit agreement governing the Mezzanine Credit Facility requires the maintenance of certain financial and non-financial covenants, including limitations on indebtedness and liens; mergers, consolidations and dissolutions; dispositions of property; restricted payments; investments and acquisitions; sale and leaseback transactions; transactions with affiliates; and limitations on activities.

In addition, we are required to meet the following financial maintenance covenants at each quarter-end:

- *Consolidated Total Leverage Ratio* — the ratio of total leverage as of the last day of the quarter (defined as the aggregate principal amount of all funded debt, less cash, cash equivalents and permitted liquid investments) to the preceding four quarters' "Consolidated EBITDA" (as defined in the credit agreements governing the Credit Facilities). For the period ending March 31, 2010, this ratio must be less than or equal to 5.75 to 1.0 to comply with the Senior Credit Facilities, and less than 6.9 to 1.0 to comply with the Mezzanine Credit Facility. Effective June 30, 2010, these required ratios will decrease to 5.5 to 1.0 for the Senior Credit Facilities, and 6.6 to 1.0 for the Mezzanine Credit Facility. As of March 31, 2010, we were in compliance with our consolidated total leverage ratio.
- *Consolidated Net Interest Coverage Ratio* — the ratio of the preceding four quarters' "Consolidated EBITDA" (as defined in the Senior Credit Facilities) to net interest expense for the preceding four quarters (defined as cash interest expense, less the sum of cash interest income and one-time financing fees (to the extent included in consolidated interest expense)). For the period ending March 31, 2010, this ratio must be greater than or equal to 1.7 to 1.0 to comply with the Senior Credit Facilities. Effective June 30, 2010, this ratio will increase to 1.8 to 1.0. As of March 31, 2010, we were in compliance with our consolidated net interest coverage ratio.

#### **Capital Structure and Resources**

At March 31, 2009 and March 31, 2010, we held cash and cash equivalents of approximately \$420.9 million and \$307.8 million, respectively. Our long-term debt amounted to \$1.2 billion and \$1.5 billion at March 31, 2009 and 2010, respectively. As of March 31, 2009 and 2010, our long-term debt bears interest at specified rates and is held by a syndicate of lenders (see Note 11 in our consolidated financial statements).

Our stockholders' equity amounted to \$509.6 million at March 31, 2010, a decrease of \$550.8 million from March 31, 2009, due to the special dividend paid in June 2009 and the special dividend paid in December 2009 in connection with the Recapitalization Transaction described above, as well as the reclassification of \$33.6 million from additional paid-in capital to other long-term liabilities related to the reduction to one cent of the strike price of options vested and not yet exercised that would have had an exercise price below zero as a result of the December 2009 dividend. This difference between one cent and the reduced value for shares vested and not yet exercised is reflected in other long-term liabilities on the March 31, 2010 balance sheet, and is to be paid in cash upon exercise of the options. This decrease was partially offset by net income of \$25.4 million for fiscal 2010.

## Quantitative and Qualitative Disclosures of Market Risk

Our exposure to market risk for changes in interest rates relates primarily to our outstanding debt, and cash and cash equivalents consisting primarily of funds invested in U.S. government insured money-market accounts. At March 31, 2009 and March 31, 2010, we had \$420.9 million and \$307.8 million, respectively, in cash and cash equivalents and Treasury bills. The interest expense associated with our term loans and any loans under our revolving credit facility will vary with market rates.

Our exposure to market risk for changes in interest rates related to our outstanding debt is somewhat mitigated as the term loans under the Tranche B term facility and Tranche C term facility have LIBOR floors of 3% and 2%, respectively. A significant rise above current interest rate levels would be required to increase our interest expense related to Tranche B and Tranche C. An increase in market interest rates could result in increased interest expense associated with Tranche A, which accounted for 7.1% of our outstanding debt as of March 31, 2010 and which does not have a LIBOR floor. A hypothetical 1% increase in interest rates would increase interest expense related to the term facilities under our Senior Credit Facilities by approximately \$1.2 million on an annual basis, and likewise decrease our income and cash flows. A hypothetical increase of LIBOR to 4% would increase interest expense related to all term facilities under our Senior Credit Facilities by approximately \$16.9 million on an annual basis, and likewise decrease our income and cash flows. As of June 10, 2010, one-month LIBOR was 0.35%. The interest rate on our term loans under the Mezzanine Credit Facility is fixed at 13.0%.

The return on our cash and cash equivalents balance as of March 31, 2010 was less than 1%. Therefore, although investment interest rates may continue to decrease in the future, the corresponding impact to our interest income, and likewise to our income and cash flow, would not be material.

We do not use derivative financial instruments in our investment portfolio and have not entered into any hedging transactions.

## Off-Balance Sheet Arrangements

As of March 31, 2009 and 2010, we did not have any off-balance sheet arrangements.

## Contractual Obligations

The following tables summarize our contractual obligations that require us to make future cash payments as of March 31, 2010 on a historical basis and on an as adjusted basis. For contractual obligations, we included payments that we have an unconditional obligation to make. The as adjusted contractual obligations presented below give effect to this offering and the use of the net proceeds therefrom as if these transactions occurred on March 31, 2010.

Contractual Obligations:	Payments Due by Period				
	Total	Less Than 1 Year	1 to 3 Years (In thousands)	3 to 5 Years	More Than 5 Years
Long-term debt(a)	\$ 1,587,850	\$ 21,850	\$ 56,200	\$ 81,200	\$ 1,428,600
Operating lease obligations	287,676	74,447	106,777	69,886	36,566
Interest on indebtedness	812,118	141,677	279,989	272,898	117,554
Deferred payment obligation(b)	63,435	—	—	—	63,435
Liability to Rollover option holders(c)	54,351	6,976	29,422	17,953	—
Tax liabilities for uncertain tax positions — FIN 48(d)	100,178	18,573	40,154	41,451	—
Other	13,319	—	—	13,319	—
Total contractual obligations	<u>\$ 2,918,927</u>	<u>\$ 263,523</u>	<u>\$ 512,542</u>	<u>\$ 496,707</u>	<u>\$ 1,646,155</u>



As Adjusted Contractual Obligations:	Payments Due by Period				
	Total	Less Than 1 Year	1 to 3 Years (In thousands)	3 to 5 Years	More Than 5 Years
Long-term debt(a)	\$	\$	\$	\$	\$
Operating lease obligations	287,676	74,447	106,777	69,886	36,566
Interest on indebtedness					
Deferred payment obligation(b)	63,435	—	—	—	63,435
Liability to Rollover option holders(c)	54,351	6,976	29,422	17,953	—
Tax liabilities for uncertain tax positions — FIN 48(d)	100,178	18,573	40,154	41,451	—
Other	13,319	—	—	13,319	—
Total contractual obligations	\$	\$	\$	\$	\$

- (a) See Note 11 to our consolidated financial statements for additional information regarding debt and related matters.
- (b) Includes \$17.6 million Deferred Payment Obligation balance, plus current and future interest accruals.
- (c) Reflects liabilities to holders of stock options issued under our Officers' Rollover Stock Plan related to the reduction in the exercise price of such options as a result of the July 2009 dividend and the December 2009 dividend.
- (d) Includes \$62.4 million of tax liabilities offset by amounts owed under the Deferred Payment Obligation. The remainder is related to other tax liabilities.

In the normal course of business, we enter into agreements with subcontractors and vendors to provide products and services that we consume in our operations or that are delivered to our clients. These products and services are not considered unconditional obligations until the products and services are actually delivered, at which time we record a liability for our obligation.

#### Capital Expenditures

Since we do not own any of our own facilities, our capital expenditure requirements primarily relate to the purchase of computers, business systems, furniture and leasehold improvements to support our operations. Direct costs billed to clients are not treated as capital expenses. Our capital expenditures for fiscal 2010 were \$49.3 million and the majority of such capital expenditures related to facilities infrastructure, equipment, and information technology. Expenditures for facilities infrastructure and equipment are generally incurred to support new and existing programs across our business. We also incur capital expenditures for IT to support programs and general enterprise information technology infrastructure.

#### Commitments and Contingencies

We are subject to a number of reviews, investigations, claims, lawsuits, and other uncertainties related to our business. For a discussion of these items, refer to Note 19 to our consolidated financial statements.

## BUSINESS

### Overview

We are a leading provider of management and technology consulting services to the U.S. government in the defense, intelligence and civil markets. We are a well-known, trusted and long-term partner to our clients, who seek our expertise and objective advice to address their most important and complex problems. Leveraging our 95-year consulting heritage and a talent base of approximately 23,300 people, we deploy our deep domain knowledge, functional expertise and experience to help our clients achieve their objectives. We have a collaborative culture, supported by our operating model, which helps our professionals identify and respond to emerging trends across the markets we serve and delivers enduring results for our clients. We have grown our revenue organically at an 18% CAGR over the 15-year period ended March 31, 2010, reaching \$5.1 billion in revenue in fiscal 2010.

We were founded in 1914 by Edwin Booz, one of the pioneers of management consulting. In 1940, we began serving the U.S. government by advising the Secretary of the Navy in preparation for World War II. As the needs of our clients have grown more complex, we have expanded beyond our management consulting foundation to develop deep expertise in technology, engineering, and analytics. Today, we serve substantially all of the cabinet-level departments of the U.S. government. Our major clients include the Department of Defense, all branches of the U.S. military, the U.S. Intelligence Community, and civil agencies such as the Department of Homeland Security, the Department of Energy, the Department of Health and Human Services, the Department of the Treasury and the Environmental Protection Agency. We support these clients in addressing complex and pressing challenges such as combating global terrorism, improving cyber capabilities, transforming the healthcare system, improving efficiency and managing change within the government and protecting the environment.

We have strong and longstanding relationships with a diverse group of clients at all levels of the U.S. government. We derived 98% of our revenue in fiscal 2010 from services provided to over 1,300 client organizations across the U.S. government under more than 4,900 contracts and task orders. The single largest entity that we served in fiscal 2010 was the U.S. Army which represented 15% of our revenue in that period. Further, we have served our top ten clients, or their predecessor organizations, for an average of over 20 years. We derived 87% of our revenue in fiscal 2010 from engagements for which we acted as the prime contractor. Also during fiscal 2010, we achieved an overall win rate of 57% on new contracts and task orders for which we competed and a win rate of more than 92% on re-competed contracts and task orders for existing or related business. As of March 31, 2010, our total backlog, including funded, unfunded, and priced options, was \$9.0 billion, an increase of 24% over March 31, 2009.

We attribute the strength of our client relationships, the commitment of our people, and our resulting growth to our management consulting heritage and culture, which instills our relentless focus on delivering value and enduring results to our clients. We operate our business as a single profit center, which drives our ability to collaborate internally and compete externally. Our operating model is built on (1) our dedication to client service, which focuses on leveraging our experience and knowledge to provide differentiated insights, (2) our partnership-style culture and compensation system, which fosters collaboration and the efficient allocation of our people across markets, clients and opportunities, (3) our professional development and 360-degree assessment system, which ensures that our people are aligned with our collaborative culture, core values and ethics and (4) our approach to the market, which leverages our matrix of deep domain expertise in the defense, intelligence and civil markets and our strong capabilities in strategy and organization, analytics, technology and operations.

We are organized and operate as a corporation. Our use of the term "partnership" reflects our collaborative culture, and our use of the term "partner" refers to our Chairman and our Senior and Executive Vice Presidents. The use of the terms "partnership" and "partner" is not meant to create any implication that we operate our company as, or have any intention to create a legal entity that is, a partnership.

## **Market Opportunity**

We believe that the U.S. government is the world's largest consumer of management and technology consulting services. Its demand for such services remains strong, driven by the need to manage dynamic and complex issues such as the improvement and effectiveness of national security and homeland security programs, the establishment of new intelligence-gathering processes and infrastructure, protecting against cyber-security threats, and several civil agency reform initiatives. At the same time, the U.S. government is seeking to increase efficiency and improve existing procurement practices. Major changes and crises driven by shifting domestic priorities and external events produce shifts in government policies and priorities that create additional sources of demand for management and technology consulting services.

### ***Large Addressable Markets***

The U.S. government's budget for U.S. government fiscal year ended September 30, 2009 was \$3 trillion, excluding authorizations from the ARRA, Overseas Contingency Operations, and supplemental funding for the Department of Defense. Of this amount, \$1 trillion was for discretionary budget authority, including \$537 billion for the Department of Defense and \$490 billion for civil agencies. Based on data from the FPDS, approximately \$513 billion of the U.S. government fiscal year 2009 discretionary outlays were for non-intelligence agency and non-ARRA funding-related products and services procured from private contractors. We estimate that \$94 billion of the spending directed towards private contractors in U.S. government fiscal year 2009 was for management and technology consulting services, with \$61 billion spent by the Department of Defense and \$33 billion spent by civil agencies. The agencies of the U.S. Intelligence Community that we serve represent an additional market.

### ***Focus on Efficiency and Transforming Procurement Practices***

*Focus on Efficiency.* There is pressure across the U.S. government to control spending while also improving services for citizens and aggressively pursuing numerous important policy initiatives. This has led to an increased focus on accomplishing more with fewer resources, streamlining information services and processes, improving productivity and reducing fraud, waste and abuse. We believe that the U.S. government will require support in the form of the services that we provide, such as strategy and change management and organization and process improvement to implement these initiatives. Two efficiency initiatives currently being undertaken by the U.S. government are the most recent Base Realignment and Closure Program, and a rebalancing of defense forces and strategy in accordance with the 2010 QDR to more effectively meet the demands of current threats in a constrained fiscal environment. To streamline information services and processes and improve productivity, U.S. government agencies are making increased use of information technology, improving the deployment of human capital, and deploying better decision support systems. To reduce fraud, waste and abuse, both the Obama Administration and Congress have recently taken action to reduce improper payments made by the U.S. government to individuals, organizations and contractors that, according to the White House, amounted to \$98 billion in 2009. President Obama signed an Executive Order aimed at reducing improper payments in November 2009 and issued a memorandum ordering the expansion of payment recapture audits in March 2010, and the House of Representatives passed the Improper Payments Elimination and Recovery Bill in April 2010.

*Transforming Procurement Practices.* Economic pressure has also driven an emphasis on greater accountability, transparency and spending effectiveness in U.S. government procurement practices. Recent efforts to reform procurement practices have focused on (1) decreasing the use of Lead System Integrators, contractors that have historically been hired to execute large, complex and often defense-related acquisition programs, to avoid potential conflicts of interest and facilitate government oversight; (2) the unbundling of outsourced projects to link contract payments to specific milestones and project benchmarks in order to ensure timely delivery and adherence to required budgets and outlays and (3) the separation of certain types of work to facilitate objectivity and avoid or mitigate specific OCI issues, which issues typically arise when providers of products to the U.S. government also provide systems engineering and technical assistance work, acquisition support and other consulting services related to the products being sold. A focus on OCI issues has resulted in legislation and a proposed regulation aimed at increasing OCI requirements, including, among other

things, separating sellers of products and providers of advisory services in major defense acquisition programs. We believe that the U.S. government's continued efforts to improve procurement processes will generate increased demand for objective management and technology consulting services.

#### ***Complex Defense, Intelligence and Civil Agency Requirements***

The U.S. government continually reassesses and updates its long-term priorities and develops new strategies to address the rapidly evolving issues it faces. In order to deliver effective advice in this environment, service providers must possess a comprehensive knowledge of, and experience with, the participants, systems and technology employed by the U.S. government, and must also have an ability to facilitate knowledge sharing while managing varying objectives. For example, within the Department of Defense, the 2010 QDR prioritizes support for the war fighter and integrating intelligence, surveillance and reconnaissance systems with weapons and ground operations.

Within the U.S. Intelligence Community and across the U.S. government generally, the current priority is enhancing cyber-capabilities, including cyber-security, in the face of the continually evolving threat of terrorism and the increasing reliance of both the U.S. government and the private sector on critical information technology systems. In U.S. government fiscal year 2009, the U.S. government established CNCI to support and coordinate U.S. cyber initiatives. At the time of CNCI's establishment, the Washington Post reported that the U.S. government would spend approximately \$17 billion over seven years in connection with CNCI.

Within the civil agencies of the U.S. government, there has been an increased focus on financial regulation, energy and environmental issues, healthcare reform and infrastructure-related challenges. The transformation of the nation's healthcare system alone will require significant effort and investment to re-design processes and policies and communicate changes effectively to citizens and healthcare providers. Modernizing healthcare information technology systems is an essential element of this transformation as highlighted by President Obama's Budget Request for U.S. government fiscal year 2011, which includes an allocation of \$6.2 billion for the Department of Health and Human Services to improve and strengthen healthcare information technology and systems. We believe the U.S. government will rely on management and technology consulting service providers to provide research, consulting, implementation and improvement services to develop and manage programs across its various civil agencies and departments.

We believe that the initiatives resulting from these new priorities will result in increased demand for management and technology consulting services.

#### ***Major Changes Create Demand***

Major changes in the government, political and overall economic landscape drive demand for objective management and technology consulting services and advice. These changes, which can be recurring in nature or more sudden and unexpected, create significant opportunities for us, as clients seek out service providers with the flexibility to rapidly deploy intellectual capital, resources and capabilities.

The inauguration of a new presidential administration is a recurring change that drives the need for objective analysis and advice to help develop and implement new policies and respond to evolving priorities. For example, one of the primary focuses of the Reagan administration was a build-up of U.S. defense forces, while the Clinton administration ushered in the era of e-Government by harnessing the power of the Internet for the first time. Similarly, the Obama administration has been focused on a range of domestic and foreign policy initiatives, including those related to the transformation of the healthcare system.

The attacks of September 11, 2001 and the recent financial crisis and economic downturn are examples of sudden and unexpected changes. These developments created urgent needs for changes to policy and the regulatory environment. In response to the September 11 attacks, the U.S. government created the Department of Homeland Security, fully integrating 22 previously distinct agencies to improve oversight and protection of the U.S. homeland. In response to the recent financial crisis, the U.S. government has pursued several programs to stabilize the U.S. and global economies, including the institution of the Troubled Assets Recovery Program, the Financial Recovery Act of 2009, and ARRA.

## **Our Value Proposition to Our Clients**

As a leading provider of management and technology consulting services to the U.S. government, we believe that we are well positioned to grow across markets characterized by increasing and rapid change. We believe that our dedication to client service, the quality of our people, our management consulting heritage and our client-oriented matrix approach provide the strong foundation necessary for our continued growth.

### ***Our People***

Our success as a management and technology consulting firm is highly dependent upon the quality, integrity and dedication of our people.

*Superior Talent Base.* We have a highly educated talent base of approximately 23,300 people: as of March 31, 2010, 86% held bachelor degrees, 42% held masters degrees and 5% held doctoral degrees. In addition, many of the U.S. government contracts for which we compete require contractors to have high-level security clearances, and our large pool of cleared employees allows us to meet these needs. As of March 31, 2010, 74% of our people held government security clearances: 25% at Secret and 47% at Top Secret (55% of the latter were Top Secret/Sensitive Compartmented Information). Through internal referrals and external recruiting efforts, we are able to successfully renew and grow our talent base, and we believe that our ability to attract top level talent is significantly enhanced by our commitment to professional development, our position as a leader in our markets, the high quality of our work and the appeal of our culture. Each year, we typically receive more than 200,000 applications, conduct more than 15,000 interviews and hire approximately 5,000 new people, approximately half of which are hired as a result of referrals from our own people.

*Focus on Talent Development.* We develop our talent base by providing our people with the opportunity to work on important and complex problems, encouraging and acknowledging contributions of our people at all levels of seniority, and facilitating broad, inclusive and insightful leadership. We also encourage our people to continue developing their substantive skills through continuing education. In fiscal 2010, 73% of our people participated in one or more internal training courses, and 49% of our people took advantage of external training opportunities. Our learning programs, which have consistently been recognized as best-in-class in the industry, include partnerships with universities, vendors and online content providers. These programs offer convenient, cost-effective, quality educational opportunities that are aligned with our core capabilities.

*Assessment System that Promotes Collaboration.* We use our 360-degree assessment process to help promote and enforce the consistency of our collaborative culture, core values and ethics. Each of our approximately 23,300 people receives an annual assessment and also participates in the assessment of other company personnel. Assessments combine this internal feedback with market input, and each assessment is led by a Booz Allen person outside of the employee's area. Our assessment process is focused on facilitating the continued development of skills and career paths and ensuring the exchange of support and knowledge among our people.

*Core Values.* We believe that one of the key components of our success is our focus on core values. Our core values are: client service, diversity, excellence, entrepreneurship, teamwork, professionalism, fairness, integrity, respect and trust. All new hires receive extensive training that emphasizes our core values, facilitates their integration into our collaborative, client-oriented culture and helps to ensure the delivery of consistent and exceptional client service.

The emphasis that we place on our people yields recognized results. External awards and recognition include being named for several consecutive years as one of Fortune Magazine's "100 Best Companies to Work For", one of Consulting Magazine's "Best Firms to Work For" and one of Business Week's "Best Places to Launch a Career."

### ***Our Management Consulting Heritage***

*Our Approach to Client Service.* Over the 70 years that we have been serving the U.S. government, we have cultivated relationships of trust with, and developed a comprehensive understanding of, our clients. This insight regarding our clients, together with our deep domain knowledge and capabilities, enable us to

anticipate, identify and address the specific needs of our clients. While working on contract engagements, our people work to develop a holistic understanding of the issues and challenges facing the client to ensure that our advice helps them achieve enduring results.

*Partnership-Style Culture and Compensation System.* A commitment to teamwork is deeply ingrained in our company, and our partnership-style culture is critical to maintaining this component of our operating model. We manage our company as a single profit center with a partner-style compensation system that focuses on the success of the institution over the success of the individual. This distinctive system fosters internal collaboration that allows us to compete externally by motivating our partners to act in the best interest of the institution. As a result, we are able to emphasize overall client service, and encourage the rapid and efficient allocation of our people across markets, clients and opportunities.

#### ***Our Client-Oriented Matrix Approach***

We are able to address the complex and evolving needs of our clients and grow our business through the application of our matrix of deep domain knowledge and market-leading capabilities. Through this approach, we deploy our four key capabilities, strategy and organization, analytics, technology, and operations, across our client base. This approach enables us to quickly assemble and deploy, and redeploy when necessary, client-focused teams comprised of people with the skills and expertise needed to address the challenges facing our clients. We believe that our significant win rates on new and re-competed contracts demonstrate the strength of our matrix approach as well as our industry-leading reputation and our proven track record.

#### **Our Strategy for Continued Growth**

We serve our clients by identifying, analyzing and solving their most complex problems and anticipating developments that will have near- and long-term impacts on their operations. To serve our clients and grow our business, we intend to execute the following strategies:

##### ***Expand Our Business Base***

We are focused on growing our presence in our addressable markets primarily by expanding our relationships with, and the capabilities we deliver to, our existing clients. We will continue to help our clients recognize more efficient and effective mission execution by deploying our objective insight and market expertise across current and future contract engagements. We believe that significant growth opportunities exist in our markets, and we intend to:

- *Deepen Our Existing Client Relationships.* The complex and evolving nature of the challenges our clients face requires the application of different core competencies and capabilities. Our approach to client service and collaborative culture enables us to effectively cross-sell and deploy multiple services to existing clients. We plan to leverage our comprehensive understanding of our clients' needs and our track record of successful performance to grow our client relationships and expand the scope of the services we provide to our existing clients.
- *Help Clients Rapidly Respond to Change.* We will continue to help our clients formulate rapid and dynamic responses to the frequent and sometimes sudden changes that they face by leveraging: the scope and scale of our domain expertise, our broad capabilities and our one-firm culture, which allow us to effectively and efficiently allocate our resources and deploy our intellectual capital.
- *Broaden Our Client Base.* We intend to capitalize on our scale, the scope of our domain expertise and core capabilities, and our reputation as a trusted long-term partner to grow our client base. We believe that growing demand for the types of services we provide and our ongoing business initiatives will enable us to leverage our reputation as a trusted partner and industry leader to cultivate new client relationships across all agencies and departments of the U.S. government. We will also continue to build on our current cyber-security related work in the commercial market as permitted under the terms of our non-competition agreement with Spin Co. We will explore new opportunities as those opportunities become available in the commercial market upon termination of those contractual

restrictions on July 31, 2011, particularly to the extent that we are able to leverage our core competencies, such as our domain expertise in energy, transportation, health and finance, and our functional capabilities, such as cyber and analytics.

#### ***Capitalize on Our Strengths in Emerging Areas***

We will continue to leverage our deep domain expertise and broad capabilities to help our clients address emerging issues. Through the early identification of clients' emerging needs and the development of adaptive capabilities to help address those needs, we have established strong competencies and functional capabilities in numerous areas of potential growth, including:

- *Cyber.* Network-enabled technology now forms the backbone of our economy, infrastructure and national security, and recent national policies and initiatives in this area, including CNCI, are creating new cyber-related opportunities. We have been focused on cyber and predecessor areas, such as information assurance, since 1999. We are currently involved in cyber-related initiatives for our defense, intelligence and civil clients and cyber-security initiatives for commercial clients. We are focused on further developing our cyber capabilities to position our company as a leader across the broad and growing range of areas requiring cyber-related services.
- *Government Efficiency and Procurement.* We are focused on helping the U.S. government achieve operating and budgetary efficiencies driven by the need to control spending while simultaneously pursuing numerous policy initiatives. In addition, recent U.S. government reforms in the procurement area may allow us to leverage our status as a large, objective service provider to win additional assignments to the extent that we are able to address OCI and similar concerns more easily than our competitors.
- *Ongoing Healthcare Transformation.* We expect recent and ongoing developments in the healthcare market, such as the passage of the Affordable Care Act of 2010 and the Health Information Technology for Economic and Clinical Health Act of 2009, to increase demand for our healthcare consulting capabilities. We have been serving healthcare-oriented clients in the U.S. government since the late 1980's. In 2002, we began a focused expansion of our healthcare consulting business, and the current scale of that business, together with our technology-related capabilities, provide us with a strong platform from which to address our clients' increased focus on the interoperability of healthcare IT platforms, healthcare policy, and payment and caregiver reforms.
- *Systems Engineering & Integration.* Our clients are increasingly utilizing SE&I services to help them manage every phase of the development and integration of increasingly sophisticated information technology, communications and mission systems — ranging from satellite and space systems to air traffic control and naval systems. Many SE&I engagements require the application of requisite competencies across the entire range of agencies or departments involved in a particular program. Through the application of our matrix, we have developed deep cross-market knowledge and a combination of engineering, acquisition, management and leadership expertise. We plan to leverage this knowledge and expertise to bid on large-scale SE&I contracts.

#### ***Continue to Innovate***

We will continue to invest significant resources in our efforts to identify near-term developments and long-term trends that may present significant challenges or opportunities for our clients. Our single profit center and one-firm culture afford us the flexibility to devote company-wide resources and key intellectual capital to developing the functional capabilities and expertise needed to address those issues. We have regularly allocated significant resources to these business development efforts and have successfully transitioned several such initiatives into meaningful contributors to our business, including:

- our assurance and resilience services area, which generated approximately \$450 million of revenue in fiscal 2010 and which began in 1999 with our efforts to anticipate the challenges posed to federal agencies by IT proliferation; and

- our healthcare consulting services area, which generated approximately \$280 million of revenue in fiscal 2010 and began in the late 1980's with IT work for the Department of Health and Human Services, and expanded rapidly in 2002 as the result of an internal analysis of potential long-term trends which could affect federal health agencies.

We continue to invest in many initiatives at various stages of development. Three such initiatives are:

*Cloud Computing.* Cloud computing is Internet-based computing whereby shared resources, software and information are provided to computers and other devices on-demand without requiring new user infrastructure. The U.S. government has adopted cloud computing as its preferred information technology environment. Several pilot programs related to the U.S. government's transition to cloud computing are already in progress across its agencies, and cyber-initiatives designed to help ensure the integrity and security of cloud computing environments will be essential to the success of this transition.

*Advanced Analytics.* Through our advanced analytics capability, we utilize advanced mathematical and other analytical tools to examine the way in which specific issues relate to data on past, present and projected future actions. Advanced Analytics are critical to our clients' efforts to translate the enormous volumes of data flowing from our nation's investments in information, communications and technology into insight, foresight and decision-making capacity.

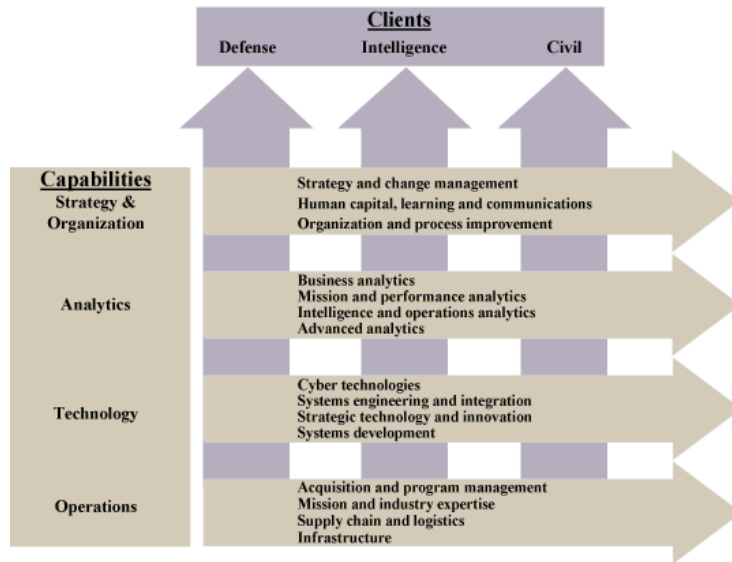
*Financial Sector.* Specialized services are needed to help modernize payment processes, implement new technology to assist financial regulators, and reform and redefine the role and organization of agencies such as the Department of the Treasury, the SEC, the Federal Reserve and the Commodity Futures Trading Commission. In addition, financial services companies in the commercial market have extensive electronic networks and electronic payment processing that require the application of sophisticated cyber-security to deter and defend against cyber-criminals and other actors intent on compromising those systems.

#### **Our Clients and Capabilities**

The diagram below illustrates our approach to market through which we deploy four capability areas, including specified areas of expertise, to service our defense, intelligence and civil clients. Our dynamic matrix of functional capabilities and domain expertise plays a critical role in our efforts to deliver results to our clients.



Go-to-Market Matrix



**Our Clients**

We have strong and longstanding relationships with a diverse group of clients at all levels of the U.S. government.

*Selected Long-Term Client Relationships*

Client(1)	Relationship Length (Years)
U.S. Navy	70
U.S. Army	60
National Security Agency	25+
Department of Homeland Security	20+
U.S. Air Force	20+
National Reconnaissance Office	15+
A U.S. intelligence agency	15+
Department of Energy	15+
Federal Bureau of Investigation	15+
Internal Revenue Service	10+

(1) Includes predecessor organizations.

### *Defense Clients*

Our reputation and track record in serving the U.S. military and defense agencies spans 70 years. Our defense business revenue represented 55% of our business based on revenue for fiscal 2010. Our revenue in this area for fiscal 2010 was approximately \$2.8 billion. Our key defense clients are set forth below.

- *U.S. Army.* For over 60 years, we have addressed challenges for the U.S. Army at the strategic, operational and tactical levels by bringing experienced people, high quality processes and advanced technologies together. We work with our U.S. Army clients to help sustain their land combat capabilities while responding to current demands and preparing for future needs. Recent examples of the services that we have provided include enhancing field intelligence systems, delivering rapid response solutions to counter improvised explosive devices, infusing lifecycle sustainment capabilities to improve distribution and delivery of material, and employing systems and consulting methods to help expand care and support for soldiers and their families. Our clients include Army Headquarters, Army Material Command (AMC), Forces Command (FORSCOM), Training and Doctrine Command (TRADOC), and many Program Executive Offices, Direct Reporting Units and Army Service Component Commands.
- *U.S. Navy/Marine Corps.* We have supported the U.S. Navy for 70 years. We employ a multidimensional approach that analyzes and balances people, processes, technology, and infrastructure to meet their missions of equipping global forces for greater flexibility, mobility and efficiency, sustaining results while reducing costs and integrating new technology. Our clients include the Office of the Secretary of the Navy, Chief of Naval Operations, the Commandant of the Marine Corps to the Office of Naval Intelligence and U.S. Navy/Marine Corps operating commands and systems commands, as well as the Joint Program Executive Offices (PEO) and individual PEOs such as Naval Air Systems Command (NAVAIR), Naval Seas Systems Command (NAVSEA), U.S. Marine Corps Systems Command, and Space and Naval Warfare (SPAWAR).
- *U.S. Air Force/NASA/Aerospace.* We provide integrated strategy and technical services to the U.S. Air Force. Our skilled strategists and technology experts bring diverse capabilities to assignments that include weapons analysis, capability-based planning and aircraft systems engineering. We also support the space industry in applying new technologies, integrating space operations, and using strategies to address the technical issues, cost, schedule and risk of space systems. Our clients include Air Combat Command, Air Force Space Command, Air Force Materiel Command, Air Mobility Command, Air Force Special Operations Command, Air Force Cyber Command, Air Force Pacific Command and the U.S. Air Forces in Europe, NASA, the Defense Information Systems Agency (DISA), the National Reconnaissance Office (NRO) and the National Geospatial-Intelligence Agency (NGA).
- *Joint Staff and Combatant Commands.* We provide mission-critical support to the Office of the Secretary of Defense, the Joint Staff, the Combatant Commands (COCOMs), and other U.S. government departments and agencies during the planning and mission execution phases to meet global mission requirements ranging from integrated intelligence, surveillance and reconnaissance (ISR) to space and global strike operations. Our clients include most major organizations within the Office of the Secretary of Defense and the Department of Defense's agencies, as well as Joint Forces Command, Pacific Command, Northern Command, Central Command, Southern Command, European Command, Strategic Command, Special Operations Command, and Transportation Command.

### *Intelligence Clients*

We have provided the primary group of government agencies and organizations that carry out intelligence activities for the U.S. government, or the U.S. Intelligence Community, with forward-thinking, success-oriented consulting and mission support services in analysis, systems engineering, program management, operations, organization and change management, budget and resource management, studies and wargaming. This critical business area has strong barriers to entry for competitors because of the specialized expertise and high-level security clearances required. Our intelligence business represented 21% of our business based on

revenue for fiscal 2010. Revenue in this area for fiscal 2010 was approximately \$1.0 billion. Our major intelligence clients include:

- *U.S. Intelligence Agencies.* We provide critical support in strategic planning, policy development, program development and execution, information sharing, architecture, and program management for research and development projects as well as support to reform initiatives flowing from the Intelligence Reform and Terrorism Protection Act. We help clients improve the processes and substance of intelligence information provided to the executive and legislative branches of the U.S. government for policy development and operational decision making.
- *Joint Staff and Unified Combatant Commands.* We deliver comprehensive intelligence analysis, including providing all-source intelligence analysis and open-source intelligence analysis conducted in high intensity environments. We also provide data collection management and analytical systems intelligence training services, and provide intellectual capital and best practices for intelligence activities.
- *Military Intelligence.* We provide consulting services, integrated intelligence and information operations mission support, and a range of counterintelligence services to the U.S. Army, U.S. Air Force, U.S. Navy, Marine Corps, and Defense Intelligence Agency.

#### *Civil Clients*

Support to civil government agencies of the U.S. government and U.S.-funded international development work has grown significantly as a percentage of our overall business. The FPDS ranks us 16th on its overall list of top 100 federal contractors for federal fiscal year 2009 based on overall prime contracting dollars. For that same period and using the same data, we estimate that we ranked 23rd based on overall prime contracting dollars in the civil clients. Our civil business represented 24% of our business based on revenue for fiscal 2010. Revenue in this area for fiscal 2010 was approximately \$1.2 billion. Our civil government clients include:

- *Financial Services.* We provide support to all major U.S. government finance and treasury organizations charged with the collection, management and protection of the U.S. financial system, including the Department of the Treasury, Internal Revenue Service and other agencies of the Department of the Treasury, Office of the Comptroller of the Currency, Federal Deposit Insurance Corporation, Federal Reserve Board and Banks, the SEC, and Pension Benefit Guaranty Corporation. We create innovative approaches to some of their most challenging problems, including bank receivership, payment channel modernization, cyber initiatives and fraud detection.
- *Health.* We support government clients on innovative projects that help achieve public health missions, including entitlement reform, developing a national health information network, mitigating risk to populations, improving government infrastructure, and facilitating an international public-private sector dialogue on international health issues. Our clients include the Department of Health and Human Services and its agencies, including the U.S. Food and Drug Administration, National Institutes of Health, Centers for Disease Control and Prevention (CDC), the Centers for Medicare and Medicaid Services, the Department of Defense Military Health System and Department of Veterans Affairs.
- *Energy, Transportation and Environment.* We support clients in the transportation, energy and environment sectors which have control over our national infrastructure. We support our clients' efforts to maintain and build infrastructure that is efficient, effective and sustainable. Our services include strategy, operations, technology and engineering. Our clients include the Departments of Energy, Transportation, and Interior and their component agencies, and the Environmental Protection Agency. We also support the Department of Defense in major environmental and infrastructure programs in the United States and Europe.
- *Justice and Homeland Security.* We support the U.S. government's homeland security mission and operations in the areas of intelligence (analysis, information sharing, and risk assessment), operations (coordination, contingency planning, and decision support), strategy, technology and management

(program management and information technology tools), emergency management and response planning, and border, cargo and transportation security. We support law enforcement missions and operations in counterterrorism, intelligence and counterintelligence, and traditional criminal areas (narcotics, white collar crime, organized crime, and violent crime).

- *Business of Government.* We help agencies effectively and efficiently manage the business processes that support government in its provision of services to its citizens, spanning management, personnel, budget operations, information technology and telecommunications. Our clients include the General Services Administration, Office of Management and Budget, Office of Personnel Management, the Congress, and Courts. We also support public sector grant-making agencies, from health and education, to labor and homeland and economic security, serving clients such as the Departments of Agriculture, Homeland Security, Commerce, Education, Labor, and Housing and Urban Development, as well as the National Science Foundation. In addition, we serve our U.S. government clients abroad in helping them resolve systemic global development needs. Our clients include the U.S. Agency for International Development, the Department of State, Millennium Challenge Corporation, and the World Bank.

## **Our Capabilities**

### *Strategy and Organization*

Our strategy and organization capability focuses on helping clients define and achieve their strategic objectives. We provide transformational programs to improve organizational effectiveness, manage change, and enable client organizations to improve their performance. Our Transformation Life Cycle™ framework and Change Management Advanced Practitioner program provide a proven methodology and credentialed experts to help clients succeed. Our areas of expertise include:

- *Strategy and change management,* helping clients formulate business strategies to meet their mission, and transforming key elements within organizations such as people, processes, technology and physical infrastructure;
- *Organization and process improvement,* redesigning an organization's structure to fit its mission and strategy, aligning its business purpose, and improving operations and performance through business process reengineering, knowledge management, strategic sourcing, shared services and lean six sigma methodologies; and
- *Human capital, learning and communications,* helping clients build new capabilities and increasing workforce performance through competency identification and development of learning programs, designing programs to better manage the workforce for high performance, and building stakeholder understanding and buy-in.

### *Analytics*

Our analytics capability includes advanced analysis, modeling, simulation, war-gaming and accountability tools to help our clients make informed decisions about threats and opportunities, and the practical realities of turning decisions into action, such as resource availability. Our areas of expertise include:

- *Business analytics,* enabling our clients to optimize decisions regarding resources through financial and economic analysis, financial stewardship and accountability and disciplined contract strategy and program controls;
- *Intelligence and operations analytics,* providing a full spectrum of intelligence analysis, innovative all-source analysis, analytic training and counter-intelligence services to meet persistent challenges and guard against new threats;
- *Mission and performance analytics,* enhancing our clients' ability to weigh alternative futures and make sound decisions that are supported by rigorous methods, including capabilities based assessments, modeling and simulation, policy analysis, threat, vulnerability and risk analysis and war-games; and

- *Advanced analytics*, developing capabilities to exploit very large amounts of information through the use of advanced mathematical techniques to gain insights, create foresight and make predictions to support fact-based decision making for our clients.

#### *Technology*

Our technology capability focuses on helping clients solve their mission-critical objectives through the deployment of advanced technology. We have more than 7,600 highly skilled technology experts and engineers who maintain deep knowledge of the latest leading technologies. Our experts combine their specialized skills with our problem-solving approach to ensure that we understand a client's mission and objectives and, based on that understanding, design, develop and implement the optimum technology solution. Our areas of expertise include:

- *Cyber technologies*, enabling clients to execute their missions in cyberspace with trusted and secure networks, systems, and information and delivering solutions for full life cycle support, information exchange, collaboration, transportation, and information storage;
- *SE&I*, developing, acquiring, testing and integrating complex systems, integrated acquisition management, program and technical integration, and program and organizational leadership design;
- *Systems development*, designing and deploying information technology solutions, including software development to automate business processes, improve client service, solve mission requirements, and share information effectively and securely; and
- *Strategic technology and innovation*, identifying and incubating advanced technologies, innovation processes, and innovation management critical to the achievement of our clients' goals.

#### *Operations*

Our operations capability is focused on the full spectrum of mission execution and delivery from front-end acquisition and program management to infrastructure design and end-to-end supply chain management. Our operations capability helps our clients formulate and implement a strategy to achieve tangible results. Our areas of expertise include:

- *Acquisition and program management*, enabling clients to originate, plan, and execute programs of all types and complexity across the entire program or product lifecycle, including program and project management, acquisition and life cycle services and program integration;
- *Infrastructure*, developing sustainable strategies and executing plans to solve complex challenges across the many natural and man-made infrastructure environments to facilitate a safe, efficient, effective and sustainable project;
- *Mission and industry expertise*, supporting clients across planning and policy development, capability development and management, conceptual and operational requirements, and mission readiness and operational support; and
- *Supply chain and logistics*, formulating and executing supply chain strategies and mission-specific logistics solutions to optimize material, data and human capital flows designed to achieve our client's targets for cost, readiness and operational performance.

#### *Client Case Examples*

Our projects require a comprehensive understanding of our clients and their needs, and we have developed a multi-dimensional and adaptable skill set that allows us to provide services under each of our capability areas across our client base. The case examples below illustrate how we have deployed our skill-sets in the strategy and organization, analytics, technology and operations capability areas to provide services to our clients.

- We developed a methodology that dramatically improves the design, cost and management of major weapons programs that we refer to as “Design for Affordability,” and worked closely with the U.S. Navy to achieve significant cost reductions. Launched in 2004, the first Virginia-class submarine cost more than \$3.2 billion to build, which exceeded estimates provided to U.S. Navy officials for this class of over 30 boats. The Chief of Naval Operations subsequently set a target cost of \$2 billion per submarine as a condition for increasing production from one to two boats per year starting in 2012. Electric Boat, the prime contractor, engaged us as a subcontractor to develop a comprehensive strategy for permanently reducing costs to \$2 billion per boat. Our Design for Affordability methodology achieved positive results, which led to the U.S. Navy directly hiring us to extend our methodology across other parts of the submarine value chain in the areas of operations and sustainability. The Design for Affordability methodology utilizes our operations, strategy and organization and analytics capabilities, and we can apply this methodology to help the U.S. government achieve cost-savings in other large acquisition programs such as those for aircraft and combat vehicles.
- We are working with a major client in the U.S. Intelligence Community on cloud computing. We are employing cloud technologies to store, manage, and perform advanced analytics on massive volumes of data to identify patterns that reveal larger trends, yield new insights, and ultimately capture cyber actors’ behavior. In support of our client, we utilize our technology and analytics capabilities to analyze huge stores of historical data in the cloud and build statistical models to understand the behavior, intent, and potential future targets of adversaries attempting to conduct attacks or crimes in cyberspace. Improved cyber analysis using cloud technologies is highly useful for government agencies striving to better share information and integrate intelligence.
- We worked with the CDC to improve its process for ordering, distributing and managing the U.S.’s supply of publicly-funded childhood vaccines through the Vaccines for Children program, a \$3 billion-dollar-a-year initiative that reaches half of all American children. The CDC mission was to respond more effectively to public health crises such as disease outbreaks, vaccine shortages, natural disasters and disruptions of the vaccine supply. We utilized our strategy and organization, operations and technology capabilities and leveraged our expertise in supply chain management, information management and change management to redesign the CDC’s procurement and storage process to allow them to ship inventory in hours instead of weeks. We helped the CDC integrate 64 grantees with formerly separate supply and distribution systems into a single, centrally managed supply chain that has shipped millions of doses of vaccines and realized \$496 million in overall one-time savings with the potential for recurring annual savings.

## Contracts

Our portfolio of contracts is highly diversified with no single contract accounting for more than 9% of our revenue in any of fiscal 2008, pro forma 2009 or fiscal 2010, and no single task order under any contract accounting for more than 1% of our revenue in any of fiscal 2008, pro forma 2009 and fiscal 2010. In fiscal 2010, we derived 30% of our revenue from our top 10 contracts and contract vehicles, and over 50% of our revenue was derived from individually awarded task orders under a large number of ID/IQ contract vehicles.

There are two predominant contracting methods by which the U.S. government procures services: definite contracts and indefinite contract vehicles. Each of these is described below:

- Definite contracts call for the performance of specified services or the delivery of specified products. The U.S. government procures services and solutions through single award, definite contracts that specify the scope of services that will be delivered and identify the contractor that will provide the specified services. When an agency recognizes a need for services or products, it develops an acquisition plan, which details the means by which it will procure those services or products. During the acquisition process, the agency may release a request for information to determine if qualified bidders exist, a draft request for a proposal to allow industry to comment on the scope of work and acquisition strategy, and finally a formal request for a proposal. Following the evaluation of submitted proposals, the agency will award the contract to the winning bidder.

- Indefinite contract vehicles provide for the issuance by the client of orders for services or products under the terms of the contract. Indefinite contracts are formally known as indefinite delivery, indefinite quantity or ID/IQ contracts, and are often referred to as contract vehicles or ordering contracts. ID/IQ contracts may be awarded to one contractor (single award) or several contractors (multiple award). Under a multiple award ID/IQ contract, there is no guarantee of work as contract holders must compete for individual work orders. ID/IQ contracts will often include pre-established labor categories and rates, and the ordering process is streamlined (usually taking less than a month from recognition of a need to an established order with a contractor). ID/IQ contracts often have multi-year terms and unfunded ceiling amounts, thereby enabling but not committing the U.S. government to purchase substantial amounts of products and services from one or more contractors in a streamlined procurement process.
- GWACs and GSA schedules are ID/IQ contracts that are open to all U.S. government agencies. Contract holders compete for individual task orders under both types of ID/IQ contract vehicles. Prices (labor rates) are pre-established under GSA schedules, while prices under GWACs may be pre-established or determined by task order proposal. Agencies may solicit companies directly under GSA schedules and, under GWACs, must work through the agency that operates the GWAC or receive a delegation of authority to use the GWAC. GSA schedules are administered by the General Services Administration and support a wide range of products and services. GWACs are used to procure IT products and services and are administered by the agency soliciting the services or products, with permission from the Office of Management and Budget.

## Backlog

We define backlog to include the following three components:

- *Funded Backlog.* Funded backlog represents the revenue value of orders for services under existing contracts for which funding is appropriated or otherwise authorized less revenue previously recognized on these contracts.
- *Unfunded Backlog.* Unfunded backlog represents the revenue value of orders for services under existing contracts for which funding has not been appropriated or otherwise authorized.
- *Priced Options.* Priced contract options represent 100% of the revenue value of all future contract option periods that may be exercised at our clients' option and for which funding has not been appropriated or otherwise authorized.

Backlog does not include any task orders under ID/IQ contracts, including GWACs and GSA schedules, except to the extent that task orders have been awarded to us under those contracts.

The following table summarizes the value of our contract backlog at the respective dates presented:

	<u>The Company</u>	
	<u>As of March 31,</u>	
	<u>2009</u>	<u>2010</u>
	<u>(In millions)</u>	
Backlog:		
Funded	\$ 2,392	\$ 2,528
Unfunded	1,968	2,453
Priced options	2,919(1)	4,032(1)
Total backlog	<u>\$ 7,279</u>	<u>\$ 9,013</u>

(1) Amounts shown reflect 100% of the undiscounted revenue value of all priced options.

We may never realize all of the revenue that is included in our total backlog, and there is a higher degree of risk in this regard with respect to unfunded backlog and priced options.

Our backlog includes orders under contracts that in some cases extend for several years. The U.S. Congress generally appropriates funds for our clients on a yearly basis, even though their contracts with us may call for performance that is expected to take a number of years. As a result, contracts typically are only partially funded at any point during their term and all or some of the work to be performed under the contracts may remain unfunded unless and until the U.S. Congress makes subsequent appropriations and the procuring agency allocates funding to the contract.

Total backlog grew 24% from March 31, 2009 to March 31, 2010. We cannot predict with any certainty the portion of our backlog that we expect to recognize as revenue in any future period. While we report internally on our backlog on a monthly basis and review backlog upon the occurrence of certain events to determine if any adjustments are necessary, we cannot guarantee that we will recognize any revenue from our backlog. The primary risks that could affect our ability to recognize such revenue are program schedule changes and contract modifications. Additional risks include the unilateral right of the U.S. government to cancel multi-year contracts and related orders or to terminate existing contracts for convenience or default, and, in the case of unfunded backlog, the potential that funding will not be available and in the case of priced options, the risk that our clients will not exercise these options. See "Risk Factors — Risks Related to Our Business — We may not realize the full value of our backlog, which may result in lower than expected revenue."

### **Competition**

Due to its size, the government consulting market is highly fragmented. As certain commercial sectors of the consulting market have declined over the past few years, competition within the government professional services industry has intensified. In addition to professional service companies like our own that focus principally on the provision of services to the U.S. government, other companies active in our markets include large defense contractors, diversified service providers and small businesses. Changing government policies are also helping to reshape the competitive landscape. Some large prime contractors are beginning to divest their professional services business units due to the U.S. government's increased sensitivity to OCI and these divested companies will be free to compete with us without their former OCI constraints. The formal adoption of FAR OCI rules or additional more restrictive rules by U.S. government agencies could cause further such divestitures which could further increase competition in our markets. At the other end of the spectrum are small businesses. Small business are growing in the government services industry due in large part to a push by both the Obama and Bush administrations to bolster the economy by helping small business owners.

In the course of doing business, we compete and collaborate with companies of all types. We strive to maintain positive and productive relationships with these organizations. Some of them hire us as a subcontractor, and we hire some of these other contractors to work with us as our subcontractors. Our major competitors include: (i) contractors focused principally on the provision of services to the U.S. government, such as CACI International, Inc., L-3 Communications Holdings, Inc., ManTech International Corp., SRA International, Inc., and TASC Inc.; (ii) large defense contractors which provide both products and services to the U.S. government, such as The Boeing Company, General Dynamics Corp., Lockheed Martin Corp., Northrop Grumman Corp., and Raytheon Co.; and (iii) diversified service providers, such as Accenture, Computer Sciences Corp., Deloitte Consulting LLP and SAIC, Inc. We compete on the basis of our technical expertise and client knowledge, our ability to successfully recruit appropriately skilled and experienced talent, our ability to deliver cost-effective multi-faceted services in a timely manner, our reputation and relationship with our clients, past performance, security clearances, and the size and scale of our company.

### **Patents and Proprietary Information**

Our management and technology consulting services and related products are not generally dependent upon patent protection. We claim a proprietary interest in certain of our service offerings and related products, methodologies and know-how. We have several patents but we do not consider our business to be materially dependent on the protection of such patents. Additionally, we have a number of trade secrets that contribute to our success and competitive position, and we endeavor to protect this proprietary information. While protecting trade secrets and proprietary information is important, we are not materially dependent on any



specific trade secret or group of trade secrets. Other than licenses to commercially available third-party software, we have no licenses to intellectual property that are significant to our business.

We rely upon a combination of nondisclosure agreements and other contractual arrangements, as well as copyright, trademark, patent and trade secret laws to protect our proprietary information. We also enter into proprietary information and intellectual property agreements with employees, which require them to disclose any inventions created during employment, to convey such rights to inventions to us, and to restrict any disclosure of proprietary information.

Our most important trademark is the "Booz Allen Hamilton" mark, registered in the United States and certain foreign countries. Generally, registered trademarks have perpetual life, provided that they are renewed on a timely basis and continue to be used properly as trademarks. Under a branding agreement entered in connection with the Acquisition, Spin Co. was granted a perpetual, exclusive, worldwide, royalty-free license to use "Booz" as a name and mark other than with "Allen" or "Hamilton" and certain other words associated with our business in connection with certain activities. We agreed not to use "Booz" unless it is accompanied by "Allen" or "Hamilton" or both and we are restricted in our use of certain other words associated with Spin Co.'s business. Under certain circumstances, including if certain Spin Co. competitors obtain ownership of Booz Allen Hamilton, the licensed marks will be assigned to Spin Co.

For our work under U.S. government funded contracts and subcontracts, the U.S. government obtains certain rights to data, software and related information developed under such contracts or subcontracts. These rights generally allow the U.S. government to disclose such data, software and related information to third parties, which third parties may include our competitors in some instances. In the case of our work as a subcontractor, our prime contractor may also have certain rights to data, information and products we develop under the subcontract.

#### **Facilities**

We do not own any facilities or real estate. Our corporate headquarters are located at 8283 Greensboro Drive, McLean, Virginia 22102. We lease other operating offices and facilities throughout North America, and a limited number of overseas locations. Our principal offices outside of McLean, Virginia include: Annapolis Junction, MD; Rockville, MD; San Diego, CA; and Herndon, VA. Additionally, nationwide we have approximately 30 Department of Defense approved locations that support classified U.S. government operations. We also have a number of Sensitive Compartmented Information Facilities, which are enclosed areas within buildings that are used to perform classified work for the U.S. Intelligence Community. Many of our employees are located in facilities provided by the U.S. government. The total square footage of our leased offices and facilities is approximately 2.9 million square feet. We believe our facilities meet our current needs, and that additional facilities will be required and available as we expand in the future.

#### **Regulation**

As a contractor to the U.S. government, as well as state and local governments, we are heavily regulated in most fields in which we operate. We deal with numerous U.S. government agencies and entities, and when working with these and other entities, we must comply with and are affected by unique laws and regulations relating to the formation, administration and performance of U.S. government contracts. Some significant laws and regulations that affect us include:

- FAR, and agency regulations supplemental thereto, which regulate the formation, administration and performance of U.S. government contracts;
- the Truth in Negotiations Act, which requires certification and disclosure of cost and pricing data in connection with the negotiation of a contract, modification or task order;
- the Procurement Integrity Act, which regulates access to competitor bid and proposal information and certain internal government procurement sensitive information, and our ability to provide compensation to certain former government procurement officials;

- post government employment laws and regulations, which restrict the ability of a contractor to recruit, hire, and deploy former employees of the U.S. government;
- laws, regulations and executive orders restricting the use and dissemination of information classified for national security purposes and the export of certain products, services and technical data; and
- the Cost Accounting Standards and FAR Cost Principles, which impose accounting requirements that govern our right to reimbursement under certain cost-based U.S. government contracts and require consistency of accounting practices over time.

Given the magnitude of our revenue derived from contracts with the Department of Defense, the DCAA is our cognizant government audit agency. The DCAA audits the adequacy of our internal control systems and policies including, among other areas, compensation. As a result of its audits, the DCAA may determine that a portion of our employee compensation is unallowable. See “Risk Factors — Risk Related to Our Industry — Our contracts, performance and administrative processes and systems are subject to audits, reviews, investigations and cost adjustments by the U.S. government, which could reduce our revenue, disrupt our business or otherwise materially adversely affect our results of operations.”

The U.S. government may revise its procurement practices or adopt new contract rules and regulations at any time. In order to help ensure compliance with these laws and regulations, all of our employees are required to attend ethics training at least annually, as well as other compliance training relevant to their position. Internationally, we are subject to special U.S. government laws and regulations (such as the Foreign Corrupt Practices Act), local government regulations and procurement policies and practices, including regulations relating to import-export control, investments, exchange controls and repatriation of earnings, as well as varying currency, political and economic risks.

U.S. government contracts are, by their terms, subject to termination by the U.S. government either for its convenience or default by the contractor. In addition, U.S. government contracts are conditioned upon the continuing availability of Congressional appropriations. Congress usually appropriates funds for a given program on a September 30 fiscal year basis, even though contract performance may take many years. As is common in the industry, our company is subject to business risks, including changes in governmental appropriations, national defense policies, service modernization plans, and availability of funds. Any of these factors could materially adversely affect our company’s business with the U.S. government in the future.

See “Risk Factors — Risks Related to Our Business — We are required to comply with numerous laws and regulations, some of which are highly complex, and our failure to comply could result in fines or civil or criminal penalties or suspension or debarment by the U.S. government that could result in our inability to receive U.S. government contracts, which could materially and adversely affect our results of operations.”

#### **Legal Proceedings**

Our performance under our U.S. government contracts and our compliance with the terms of those contracts and applicable laws and regulations are subject to continuous audit, review and investigation by the U.S. government. Given the nature of our business, these audits, reviews and investigations may focus, among other areas, on labor time reporting, sensitive and/or classified information access and control, executive compensation and post government employment restrictions. We are not always aware of our status in such matters, but we are currently aware of certain pending audits and investigations involving labor time charging. In addition, from time to time, we are also involved in legal proceedings and investigations arising in the ordinary course of business, including those relating to employment matters, relationships with clients and contractors, intellectual property disputes and other business matters. These legal proceedings seek various remedies, including monetary damages in varying amounts that currently range up to \$26.2 million or are unspecified as to amount. Although the outcome of any such matter is inherently uncertain and may be materially adverse, based on current information, our management does not expect any of the currently ongoing audits, reviews, investigations or litigation to have a material adverse effect on our financial condition and results of operations.

Six former officers and stockholders of the Predecessor who had departed the firm prior to the Acquisition have filed a total of nine suits against the Company and certain of the Company's current and former directors and officers. Each of the suits arises out of the Acquisition and alleges that the former stockholders are entitled to certain payments that they would have received if they had held their stock at the time of the Acquisition. The various suits assert claims for breach of contract, tortious interference with contract, breach of fiduciary duty, civil RICO violations, and/or securities and common law fraud. Two of these suits have been dismissed and another has been dismissed but the former stockholder has sought leave to re-plead. Five of the remaining suits are pending in the United States District Court for the Southern District of New York and the sixth is pending in the United States District Court for the Southern District of California. The aggregate alleged damages sought in the six remaining suits is approximately \$197 million (\$140 million of which is sought to be trebled pursuant to RICO), plus punitive damages, costs, and fees. Although the outcome of any of these cases is inherently uncertain and may be materially adverse, based on current information, our management does not expect them to have a material adverse effect on our financial condition and results of operations.

## MANAGEMENT

### Executive Officers and Directors

The following table sets forth information about our executive officers and directors as of June 17, 2010:

Name	Age	Position
Ralph W. Shrader	65	Chairman of the Board, President and Chief Executive Officer
Samuel R. Strickland	59	Executive Vice President, Chief Financial Officer, Chief Administrative Officer and Director
CG Appleby	63	Executive Vice President, General Counsel and Secretary
Horacio D. Rozanski	42	Executive Vice President, Chief Strategy and Talent Officer
Joseph E. Garner	62	Executive Vice President
Francis J. Henry, Jr.	58	Executive Vice President
Lloyd Howell, Jr.	44	Executive Vice President
Joseph Logue	45	Executive Vice President
Joseph W. Mahaffee	53	Executive Vice President
John D. Mayer	64	Executive Vice President
John M. McConnell	66	Executive Vice President
Patrick F. Peck	52	Executive Vice President
Daniel F. Akerson	61	Director
Peter Clare	45	Director
Ian Fujiyama	37	Director
Philip A. Odeen	74	Director
Charles O. Rossotti	69	Director

Prior to October 2009, the title of our most senior position other than Chief Executive Officer was Senior Vice President. In October 2009, we renamed our Senior Vice Presidents as Executive Vice Presidents.

*Ralph W. Shrader* is our Chairman, Chief Executive Officer and President and has served in these positions since 1999, except for President which dates to the Acquisition in 2008. Dr. Shrader has been an employee of our company since 1974. He is the seventh chairman since our company's founding in 1914 and has led our company through a significant period of growth and strategic realignment. Dr. Shrader is active in professional and charitable organizations, and is past Chairman of the Armed Forces Communications and Electronics Association. He is Chairman of The Neediest Kids, Inc. charity and serves on the board of directors of Abilities, Inc., an organization dedicated to improving career opportunities for individuals with disabilities, and the board of directors of ServiceSource, the largest community rehabilitative program in Virginia.

Specific qualifications, experience, skills and expertise include:

- Operating and management experience;
- Understanding of government contracting;
- Core business skills, including financial and strategic planning; and
- Deep understanding of our company, its history and culture.

*Samuel R. Strickland* is an Executive Vice President and our Chief Financial and Administrative Officer. He has served as our Chief Administrative Officer since 1999 and Chief Financial Officer since 2008. He joined our company in 1995, and became an Executive Vice President in 2004. Mr. Strickland is a member of

the Finance and Operations Group and the Chief Information Officer (CIO) Leadership Council. Mr. Strickland serves on the Board of Trustees at the George Mason University Foundation, Inc.

Specific qualifications, experience, skills and expertise include:

- Finance, financial reporting, compliance and controls expertise;
- Understanding of government contracting; and
- Core business skills, including financial and strategic planning.

*CG Appleby* is our General Counsel and Chief Legal Officer and Secretary and has served in these positions since 1998. Mr. Appleby has been an employee of our company since 1974. Mr. Appleby is a former president and board member, and current member of the Washington Metropolitan Area Corporate Counsel Association; former president, and current board and executive Committee member, of the Northern Virginia Community Foundation; former chairman and board member, and current member of the Executive Committee, of the Professional Services Council; board member of the Fairfax County, Virginia Chamber of Commerce; Principal of the Council for Excellence in Government; board member of TeamFairfax 2013; and current member of the CharityWorks Advisory Board.

*Horacio D. Rozanski* is an Executive Vice President and was recently named our Chief Strategy and Talent Officer. He is co-chair of the Finance and Operations Group and a member of the People Strategy Steering Committee. Mr. Rozanski served as the Chief Personnel Officer of our company from 2002 through 2010. Mr. Rozanski joined our company in 1992 and became an Executive Vice President in 2009.

*Joseph E. Garner* is an Executive Vice President of our company and is the lead for our operations capability. Mr. Garner joined our company in 1983 and became an Executive Vice President in 2001. Mr. Garner is co-chair of the People Strategy Steering Committee and a member of the Finance and Operations Group.

*Francis J. Henry, Jr.* is an Executive Vice President of our company and is the market lead for the civil business. Mr. Henry joined our company in 1977 and became an Executive Vice President in 2009. Mr. Henry is the chairman of the Employees' Capital Accumulation Plan trustees and co-chair of the Finance and Operations Group.

*Lloyd Howell, Jr.* is an Executive Vice President of our company and is the client service officer for our financial services clients. Mr. Howell joined our company in 1988, left in 1991, rejoined in 1995 and became an Executive Vice President in 2005. He is chairman of the Ethics & Compliance Committee. Mr. Howell serves on the board of directors of the United Negro College Fund.

*Joseph Logue* is an Executive Vice President of our company and is the market lead for the defense business. Mr. Logue joined our company in 1997 and became an Executive Vice President in 2009. Previously, he led our former commercial Information Technology practice. He is a member of the Finance and Operations Group.

*Joseph W. Mahaffee* is an Executive Vice President of our company and is the location lead for our Northeast location. Mr. Mahaffee joined our company in 1981 and became an Executive Vice President in 2007. He is a member of the Technology Capability Leadership Team and the CIO Leadership Team. He is a member of the board of directors of the Independent College Fund of Maryland where he serves as the President of the Executive Steering Committee and Chairman of the National Security Scholarship Program.

*John D. Mayer* is an Executive Vice President of our company and is responsible for organizational transformation and change management initiatives for public sector clients. Mr. Mayer joined our company in 1997 and became an Executive Vice President in 2009. He is chairman of the board of directors of the Homeland Security and Defense Business Council, a member of the board of the Washington Education and Tennis Foundation, and a member of the Corporate Advisory Board for the Darden School of Business at the University of Virginia.

*John M. McConnell* is an Executive Vice President of our company and is the market lead for the intelligence business. Mr. McConnell previously served from 2007 through 2009 as U.S. Director of National Intelligence. From 1996 through 2007, Mr. McConnell served as an officer of our company and became an Executive Vice President in 2009.

*Patrick F. Peck* is an Executive Vice President of our company and is the lead for our technology capability. Mr. Peck joined our company in 1984 and became an Executive Vice President in 2008. Mr. Peck is the co-chair of the CIO Leadership Council. He serves on the board of directors of Junior Achievement's National Capital Area.

*Daniel F. Akerson* has been a member of our Board since 2008. Mr. Akerson has served as Managing Director and Head of Global Buyout, The Carlyle Group, a private equity firm, since July 2009. Prior to this position, Mr. Akerson served as Managing Director and Co-Head of U.S. Buyout Fund, March 2003 to July 2009. Mr. Akerson currently serves as a director for American Express Company, since 1995, General Motors Company, since July 2009, and Freescale Semiconductor, Inc., since 2007. Mr. Akerson formerly served as a director for Manor Care, Inc., from 2008 to 2009, MultiPlan, Inc., from 2006 to 2009, Time Warner, Inc., from 2001 to 2002 and XO Holdings, Inc., from 1999 to 2003. Mr. Akerson has also served as former chairman, chief executive officer or president of several major companies, including General Instrument Corp., from 1993 to 1995, MCI Communications Corp., from 1983 to 1993, Nextel Communications Inc., from 1996 to 2001, and XO Communications, Inc. from 1999 to 2003. XO Communications, Inc. filed a voluntary petition under Chapter 11 of the U.S. Bankruptcy Code in June 2002, and emerged from bankruptcy proceedings in January 2003.

Specific qualifications, experience, skills and expertise include:

- Operating and management experience, including as chief executive officer, in technology-related businesses;
- Core business skills, including financial and strategic planning;
- Expertise in finance, financial reporting, compliance and controls and global businesses; and
- Public company directorship and committee experience.

*Peter Clare* has been a member of our Board since 2008. Mr. Clare is a Managing Director of The Carlyle Group, a private equity firm, as well as deputy head of U.S. Buyout and head of the Global Aerospace, Defense and Government Services Group. Mr. Clare has been with The Carlyle Group since 1992. He currently serves on the boards of directors of ARINC, since 2007, Sequa Corporation, since 2007, and Wesco Aircraft, since 2006.

Specific qualifications, experience, skills and expertise include:

- Operating experience;
- Understanding of government contracting;
- Core business skills, including financial and strategic planning;
- Public company directorship and committee experience; and
- Expertise in finance, financial reporting, compliance and controls and global businesses.

*Ian Fujiyama* has been a member of our Board since 2008. Mr. Fujiyama is a Managing Director of The Carlyle Group, a private equity firm, which he joined in 1997. Beginning in 1999, Mr. Fujiyama spent two years in Hong Kong and Seoul working in Carlyle's Asia buyout fund, Carlyle Asia Partners. He currently serves on the boards of directors of ARINC, since 2007, and United Components, Inc., since 2003.

Specific qualifications, experience, skills and expertise include:

- Operating experience;
- Understanding of government contracting;

- Core business skills, including financial and strategic planning; and
- Expertise in finance, financial reporting, compliance and controls and global businesses.

*Philip A. Odeen* has been a member of our Board since 2008. Mr. Odeen has served as the Chairman of the Board of Directors and Lead Independent Director of AES Corporation since 2009, and he has served as a director of AES since 2003. Mr. Odeen has served as the Chairman of the Board of Convergys Corporation since 2008, and he has served as a director of Convergys since 2000. From 2006 to 2007, Mr. Odeen served as Chairman of the Board for Avaya. He served as Chairman of the Board for Reynolds and Reynolds Company from 2006 to 2007. Mr. Odeen retired as Chairman/CEO of TRW Inc. in December 2002. Mr. Odeen has provided leadership and guidance to our Board as a result of his varied global business, governmental and non-profit and charitable organizational experience of over 40 years.

Specific qualifications, experience, skills and expertise include:

- Operating and risk management experience, relevant to the oversight of operational risk management;
- Core business skills, including financial and strategic planning;
- Understanding of government contracting;
- Expertise in strategic planning and executive compensation; and
- Public company directorship and committee experience.

*Charles O. Rossotti* has been a member of our Board since 2008. Mr. Rossotti has served as a Senior Advisor to The Carlyle Group since June 2003. Prior to this position Mr. Rossotti served as the Commissioner of Internal Revenue of the Internal Revenue Service from 1997 to 2002. Mr. Rossotti co-founded American Management Systems, Inc., an international business and information technology consulting firm in 1970, where he served at various times as President, Chief Executive Officer and Chairman of the Board until 1997. Mr. Rossotti currently serves as a director for Bank of America Corporation, since 2009, and The AES Corporation, since 2003. Mr. Rossotti formerly served as a director of Merrill Lynch & Co., Inc., from 2004 to 2008.

Specific qualifications, experience, skills and expertise include:

- Operating and risk management experience, relevant to the oversight of operational risk management;
- Core business skills, including financial and strategic planning;
- Understanding of government contracting;
- Expertise in finance, financial reporting, compliance and controls and global businesses; and
- Public company directorship and audit committee experience.

#### **Controlled Company**

For purposes of applicable stock exchange rules, we expect to be a “controlled company.” Controlled companies under those rules are companies of which more than 50% of the voting power for the election of directors is held by an individual, a group or another company. Carlyle, through Coinvest, will continue to control more than 50% of the combined voting power of our common stock upon completion of this offering and will continue to have the right to designate a majority of the members of our Board for nomination for election and the voting power to elect such directors following this offering. Accordingly, we are eligible to, and we intend to, take advantage of certain exemptions from corporate governance requirements provided in applicable stock exchange rules. Specifically, as a controlled company, we are not required to have (i) a majority of independent directors, (ii) a Nominating Committee composed entirely of independent directors or (iii) a Compensation Committee composed entirely of independent directors.

## **Board Composition**

Our Board is currently composed of seven directors, including Dr. Shrader, our President and Chief Executive Officer, and Chairman of our Board, and Mr. Strickland, our Chief Financial Officer and Chief Administrative Officer. Our amended and restated bylaws will provide that our Board will consist of no more and no less than a certain number of directors. The exact number of members on our Board will be determined from time to time by resolution of a majority of our full Board. Our amended and restated bylaws will also provide that our Board will be divided into three classes whose members will serve three-year terms expiring in successive years. Each of our directors will serve for a term of one year. Directors hold office until the annual meeting of stockholders and until their successors have been duly elected and qualified. Prior to completion of this offering, our Board will be divided into three classes serving staggered three-year terms. At that time we will designate classes.

Under the Stockholders Agreement, Carlyle is entitled to nominate or designate a majority of the members of our Board. The Stockholders Agreement provides that when Carlyle holds less than 40% of the voting shares of common stock issued and outstanding, the terms of the Stockholders Agreement and the ability of Carlyle to designate a majority of the members of our Board will be renegotiated. We will be entering into the Amended and Restated Stockholders Agreement in connection with this offering. Upon completion of this offering, Carlyle will continue to have the right to designate a majority of the members of our Board for nomination for election and voting power to elect such directors.

## **Board Committees**

Our Board has three standing committees: an Executive Committee, an Audit Committee and a Compensation Committee. Under the stock exchange rules, we will be required to have one independent director on our Audit Committee during the 90-day period beginning on the date of effectiveness of the registration statement filed with the SEC in connection with this offering. After such 90-day period and until one year from the date of effectiveness of the registration statement, we are required to have a majority of independent directors on our Audit Committee. Thereafter, our Audit Committee is required to be comprised entirely of independent directors. As a controlled company, we are not required to have independent Nominating and Compensation Committees. The following is a brief description of our committees.

### ***Executive Committee***

Our Executive Committee is responsible, among its other duties and responsibilities, for assisting our Board in fulfilling its responsibilities. Our Executive Committee is responsible for approving certain corporate actions and transactions, including acquisitions of assets other than in the ordinary course and outside hires or terminations above the senior associate level. In addition, our Executive Committee currently selects or recommends candidates to the Board for election to our Board, develops and recommends to the Board corporate governance guidelines that are applicable to us and oversees Board and management evaluations. We intend to establish a Nominating Committee that will assume the functions related to nominating Board members and overseeing corporate governance. The members of our Executive Committee are Dr. Shrader and Messrs. Clare and Fujiyama. The charter of our Executive Committee will be available without charge on the investor relations portion of our website upon completion of this offering.

### ***Audit Committee***

Our Audit Committee is responsible, among its other duties and responsibilities, for overseeing our accounting and financial reporting processes, the audits of our financial statements, the qualifications and independence of our independent registered public accounting firm, the effectiveness of our internal control over financial reporting and the performance of our internal audit function and independent registered public accounting firm. Our Audit Committee reviews and assesses the qualitative aspects of our financial reporting, our processes to manage business and financial risks, and our compliance with significant applicable legal, ethical and regulatory requirements. Our Audit Committee is directly responsible for the appointment, compensation, retention and oversight of our independent registered public accounting firm. The charter of our



Audit Committee will be available without charge on the investor relations portion of our website upon completion of this offering.

Messrs. Rossotti (Chairman), Strickland, Clare and Fujiyama are members of our Audit Committee. Rule 10A-3 of the Exchange Act requires us to have a majority of independent audit committee members within 90 days and all independent audit committee members (within the meaning of Rule 10A-3) within one year of the initial listing of our securities on the stock exchange. We intend to comply with these independence requirements within the appropriate time periods. As required by our Audit Committee charter, Mr. Strickland will step down as a member of our Audit Committee prior to the completion of this offering.

#### **Compensation Committee**

Our Compensation Committee is responsible, among its other duties and responsibilities, for reviewing and approving all forms of compensation to be provided to, and employment agreements with, the executive officers and directors of our company and its subsidiaries (excluding the Chief Executive Officer), reviewing and recommending to the non-management directors of the Board compensation arrangements for and employment agreements with the Chief Executive Officer, establishing the general compensation policies of our company and its subsidiaries and reviewing, approving and overseeing the administration of the employee benefits plans of our company and its subsidiaries. Our Compensation Committee also periodically reviews management development and succession plans. The members of our Compensation Committee are Dr. Shrader and Messrs. Odeen (Chairman), Clare and Fujiyama. The charter of our Compensation Committee will be available without charge on the investor relations portion of our website upon completion of this offering. As required by our Compensation Committee charter, Dr. Shrader will step down as a member of our Compensation Committee prior to the completion of the offering.

#### **Code of Ethics**

Prior to the completion of this offering, we will adopt a new written Code of Ethics and Conduct, or the Code of Ethics, applicable to our directors, chief executive officer, chief financial officer, controller and all other officers and employees of Booz Allen Holding and its subsidiaries worldwide. Copies of the Code of Ethics will be available without charge on the investor relations portion of our website upon completion of this offering or upon request in writing to Booz Allen Hamilton Holding Corporation, 8283 Greensboro Drive, McLean, Virginia 22102, Attention: Corporate Secretary.

#### **Director Compensation**

Directors who are employed by us or by Carlyle do not receive any additional compensation for their services as a director. Our other directors, Philip A. Odeen and Charles O. Rossotti, are paid \$100,000 per annum for their services on our Board. The directors may elect to receive payment in cash or restricted shares of our Class A common stock. Messrs. Odeen and Rossotti also received a grant of options under our Equity Incentive Plan in fiscal 2010 as compensation for joining our Board. Messrs. Odeen and Rossotti were also afforded the opportunity to purchase shares of our Class A common stock at fair market value. Mr. Rossotti purchased 3,905 shares of our Class A common stock in May 2010.

The amount paid for their service on our Board in fiscal 2010 is reflected in the table below.

#### **Director Compensation Table**

<b>Name and Principal Position</b>	<b>Fees Earned or Paid in Cash (\$)</b>	<b>Option Awards (\$)(1)</b>	<b>Stock Awards (\$)</b>	<b>Other(2) (\$)</b>	<b>Total (\$)</b>
Philip A. Odeen	100,000(3)	55,610	57(3)	14,450	170,117
Charles O. Rossotti	100,000(4)	55,610	115(4)	28,900	184,625

(1) This column represents the grant date fair value of the options granted to our directors in fiscal 2010. The fair value of the awards was determined based on the probable outcome of the performance conditions

using the valuation methodology and assumptions set forth in Note 17 to our financial statements for the fiscal year ended March 31, 2010, which are incorporated by reference herein, modified to exclude any forfeiture assumptions related to service-based vesting conditions. The amounts in this column do not reflect the value, if any, that ultimately may be realized by the director.

The following table sets forth, by grant date, the aggregate number of stock awards outstanding at the end of fiscal 2010.

**Option Awards for Service as a Director**

Name	Option Awards				
	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable	Option Awards Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options	Option Exercise Price (\$)	Option Expiration Date
Philip A. Odeen	199	264(a)	348(b)	60.77	05/07/2019
			189(c)	60.77	05/07/2019
Charles O. Rossotti	199	264(a)	348(b)	60.77	05/07/2019
			189(c)	60.77	05/07/2019

- (a) The options vest and become exercisable, subject to the continued service of the director, ratably on June 30, 2009, 2010, 2011, 2012 and 2013. All service-vesting options fully vest and become exercisable immediately prior to the effective date of certain change in control events.
- (b) The options vest and become exercisable, subject to the continued service of the director, ratably on June 30, 2009, 2010, 2011, 2012 and 2013 based on achievement of EBITDA performance goals, with the ability to “catch up” on missed goals if (x) the missed performance goal was at least 90% of target level and (y) cumulative EBITDA performance reaches the target cumulative levels during the five-year vesting period. In addition, any unvested performance options at the time of a change in control event vest immediately prior to the effective date of the event if Carlyle achieves a specified internal rate of return as a result of the event or the investment proceeds to Carlyle are at least a specified multiple of their invested capital.
- (c) The options vest and become exercisable, subject to the continued service of the director, ratably on June 30, 2009, 2010, 2011, 2012 and 2013 based on achievement of cumulative cash flow performance goals, with the ability to “catch up” on missed goals if cumulative achievement reaches the target cumulative levels during the five-year vesting period. In addition, any unvested performance options at the time of a change in control event vest immediately prior to the effective date of event if Carlyle achieves a specified internal rate of return as a result of the event or the investment proceeds to Carlyle are at least a specified multiple of their invested capital.
- (2) On July 27, 2009, our Board approved a special dividend of \$10.87 per share paid on July 29, 2009 to holders of our Class A common stock, Class B non-voting common stock and Class C restricted common stock as of July 29, 2009. In addition, on December 7, 2009, our Board approved a special dividend of \$46.42 per share paid on December 11, 2009 to holders of record of Class A common stock, Class B non-voting common stock and Class C restricted common stock as of December 8, 2009. The amount set forth in the table reflects the dividends received by Messrs. Odeen and Rossotti with respect to their unvested Class A restricted common stock. Messrs. Odeen and Rossotti also received dividends of \$9,841 and \$19,682, respectively, on the restricted stock granted for fiscal 2010 that vested prior to the December 8, 2009 dividend record date, which amounts are not compensation and therefore are not reflected in the Director Compensation Table.
- (3) Mr. Odeen elected to receive half of his compensation in the form of restricted stock, and was granted 424 shares of restricted Class A common stock in lieu of \$50,000 of the cash payment. The shares of restricted stock awarded for services performed in fiscal 2010 vested in equal installments on September 30, 2009 and March 31, 2010. The grant date fair market value of the shares was \$50,057, based on the \$118.06 value of our stock on the May 7, 2009 grant date. Mr. Odeen also received a grant of 212 shares of stock in fiscal 2010

in lieu of half of his cash compensation for services as a director in fiscal 2009. These shares were vested immediately on grant and are not reflected in the Director Compensation Table as they were paid with respect to his services performed during fiscal 2009.

- (4) Mr. Rossotti elected to receive his entire compensation in the form of restricted stock, and was granted 848 shares of restricted Class A common stock in lieu of the cash payment. The shares of restricted stock awarded for services performed in fiscal 2010 vested in equal installments on September 30, 2009 and March 31, 2010. The grant date fair market value of the shares was \$100,115, based on the \$118.06 value of our stock on the May 7, 2009 grant date. Mr. Rossotti also received a grant of 423 shares of stock in fiscal 2010 in lieu of his cash compensation for services as a director in fiscal 2009. These shares were vested immediately on grant and are not reflected in the Director Compensation Table as they were paid with respect to his services performed during fiscal 2009.

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

*The following discussion and analysis of compensation arrangements of our named executive officers for fiscal 2010 (as set forth in the Summary Compensation Table below) should be read together with the compensation tables and related disclosures set forth below. This discussion contains forward-looking statements that are based on our current plans, considerations, expectations and determinations regarding future compensation programs. Actual compensation programs that we adopt may differ materially from the currently planned programs summarized in this discussion.*

#### **Named Executive Officers**

Our named executive officers for fiscal 2010 are: Ralph W. Shrader, our President and Chief Executive Officer, Samuel R. Strickland, our Chief Financial Officer, and three of our Executive Vice Presidents, CG Appleby, Joseph E. Garner, and John M. McConnell.

#### **Executive Compensation Philosophy and Objectives**

Although we are a corporation, we operate with a partnership-style culture and compensation system that fosters internal collaboration. Our compensation structure for our officers is centered around a transparent compensation system and a single profit center and firm-wide bonus pool. This distinctive system fosters internal collaboration which allows us to compete externally by motivating our officers to act in the best interest of the firm through an emphasis on client service and by encouraging the rapid and efficient allocation of our people across markets, clients and opportunities.

Utilizing this philosophy, our executive compensation program has been designed to:

- attract, motivate and retain executives of outstanding ability to meet and exceed the demands of our clients;
- focus management on optimizing stockholder value and fostering an ownership culture;
- create appropriate rewards for outstanding performance and penalties for under-performance; and
- provide competitive rewards and foster collaboration by:
  - rewarding executives for their contribution to our overall performance and financial success and, at the same time, recognizing the spirit and culture of collaboration that has defined us throughout our history; and
  - determining and allocating incentives based on our performance as a whole while measuring individual performance over the long term to facilitate long-term investment and resource allocation.

#### **Setting Executive Compensation**

Our Compensation Committee is responsible for evaluating the compensation levels for our executive officers, including our named executive officers. The committee takes into consideration, based upon their collective experience and reasoned business judgment, labor market data and recommendations from management. Management's recommendations are based on an extensive, 360-degree assessment process executed by the officers and overseen by the executive officers. Our executive compensation program is based on a core belief that transparency and peer-pressure increase overall performance, and that executive impact must be measured over both a short- and long-term horizon in order to maximize stockholder value creation. Accordingly, all executives within one of our six officer compensation bands (more fully described below) receive the same compensation, which is based on overall firm performance, and sustained individual performance is rewarded through accelerated progression through the levels. Our Chief Executive Officer is in a separate level from other officers that receives 10% more than the executives in the next highest level, recognizing his unique role.

Our Compensation Committee has the goal of structuring a compensation program that allows us to attract and retain top tier talent and provide significant incentives for exceeding our performance targets and significant penalties for underperformance. Our Compensation Committee has recognized that our current compensation program has focused on cash compensation based on annual financial performance.

It is anticipated that we will modify our compensation programs in the future to provide for a greater proportion of equity-based incentives that vest over a longer term as contrasted with current compensation and incentives.

We use relevant quantitative and qualitative measures to set compensation for the fiscal year based on overall performance objectives and broad market parameters. Currently, our management obtains market analysis and executive compensation survey data from nationally recognized survey providers, including Towers Perrin Executive Survey, Mercer Executive Survey, CHiPS Executive and Senior Management Total Compensation Survey, and Watson Wyatt Top Management Survey. We segment these surveys based on company revenue and government contracting and professional services industries to assess the competitiveness of our compensation targets. In addition, our management consults with William M. Mercer, Inc., which provides executive compensation design, best practice data and assists us in determining market competitive positioning.

Historically, our Chief Executive Officer has participated in Compensation Committee meetings as a member of the committee and made recommendations to our Compensation Committee with respect to the setting of performance targets for our executive officers. Upon completion of this offering, our Chief Executive Officer will not be a member of our Compensation Committee. Nevertheless, we expect that he will continue to provide input to our Compensation Committee regarding our executive compensation programs, as, and to the extent, requested by our Compensation Committee.

#### ***Elements of Compensation***

Our executive compensation consists of the following components, which are designed to provide a mix of fixed and at-risk compensation that is heavily tied to the achievement of our short and long term financial goals and designed to promote a long-term career with our company:

- cash compensation, a portion of which is paid as base salary, designed to reflect the requirements of the marketplace in order to attract and keep our executive talent, and a portion of which is short-term cash incentive compensation (consisting of annual cash bonuses), designed to reward our executive officers for annual improvements in key areas of our operational and financial performance;
- long-term equity incentive plans, designed to reward our executive officers for growing our company over the long term and aligning our executive officers' interests with our stockholders;
- retirement benefits, designed to build financial security for our executive officers and promote a long-term career with our company, including a defined contribution 401(k) plan, company contributions to the defined contribution 401(k) plan and annual cash payments to supplement the contribution in cases where the IRS retirement contribution limits are reached, a lump-sum retirement payment and employer-paid retiree healthcare; and
- executive benefits, including enhanced health and welfare benefits, financial counseling and club memberships.

A detailed description of these components is provided below.

A substantial amount of each executive officer's total annual cash compensation opportunity is at-risk and tied to our annual financial performance.

*Cash Compensation.* As discussed above, our compensation program is structured to drive company-wide performance by encouraging internal collaboration and client service through the fluid application of resources to where they can add the most value. Key to this program is a cohort structure under which all officers are assigned to one of six bands plus a separate and distinct band for our Chief Executive Officer.

Each band is assigned a standard number of points per executive with all executives within the band assigned the same number of points. The number of points assigned to each executive in each band remains constant from year to year, however the planned monetary value of each point is evaluated annually based on a number of factors discussed below. Officers progress upward through the bands based on their competencies and performance over time.

Prior to the start of our fiscal year, the Chief Strategy and Talent Officer, together with the Chief Financial Officer, establish an appropriate level of cash compensation through review of a number of factors including prior compensation levels, market survey data, and projected profitability for the coming year. The result is the recommendation of a per point value that is multiplied by the number of points assigned to each executive to determine a planned annual cash compensation. We set cash compensation opportunities at a level that allows us to attract and retain key talent. A portion of the cash compensation is designated as base salary and is paid monthly. The remaining portion of the cash compensation is designated as an incentive bonus which is paid annually based on achievement of company performance targets with upward or downward adjustments for exceeding or falling below the targets. Our Compensation Committee reviews the recommendation from management as well as the market information provided and approves a monetary value for each point and therefore the base salary and total cash compensation for each executive assuming firm targets are achieved. Although, the monetary point value is reviewed annually, changes do not ordinarily occur every year.

For fiscal 2010, each of our named executive officers earned the base salary set forth in the "Salary" column of the Summary Compensation Table. Base salary levels within each band will remain the same for fiscal 2011. However Mr. Strickland's salary for fiscal 2011 will increase as a result of his promotion, effective April 1, 2010, to align his salary with that of his new cohort band.

The annual incentive portion of our executive officers' cash compensation is provided through our annual performance bonus program. The bonus portion of the total cash compensation as discussed above creates an aggregate bonus pool for the year. The bonus pool is established by multiplying the bonus portion of the point value times the aggregate number of points (reduced for fringe and other charges). Annual incentive bonuses are paid as a result of meeting the target "Bonus EBITDA," which is defined as our consolidated earnings before interest, taxes, depreciation, amortization, stock-option based and other equity-based compensation expenses, management, transaction and similar fees paid to the principal stockholders or their affiliates, as reflected on our audited consolidated financial statements for such fiscal year, and adjusting for certain extraordinary and non-recurring items as determined by the bonus plan administrator. We base annual bonuses on Bonus EBITDA because it is a direct reflection of the cash flow and operating profitability of our business and it represents the element of our performance that executives can most directly impact.

Upon availability of our year end operating results, our Compensation Committee reviews the Bonus EBITDA, and in its sole discretion approves any adjustments to the plan bonus pool. Adjustments are based on performance against target Bonus EBITDA. During fiscal 2009 and fiscal 2010, if Bonus EBITDA was above or below target, the bonus pool was generally increased or decreased by 50% of the amount over or under target or such lesser percentage as our Compensation Committee may determine. At its sole discretion, our Compensation Committee may increase or decrease the amount of the bonus pool to take into consideration the impact of any extraordinary and non-recurring items or other factors. Following any adjustment for extraordinary and nonrecurring items and other factors, the bonus pool is further reduced to account for the additional fringe benefit costs incurred as a result of the additional bonus payment to our officers. The final bonus pool as approved by our Compensation Committee is distributed to our officers on a consistent per point basis.

For fiscal 2010 the target Bonus EBITDA was \$337.0 million and actual results were \$399.8 million. The calculation of Bonus EBITDA for fiscal 2010 is as follows:

EBITDA	\$ 295,317
Compensation Adjustments	97,266
Other Adjustments	<u>7,262</u>
Bonus EBITDA	\$ 399,845
Bonus EBITDA Target	\$ 337,000

As shown above, for fiscal 2010, actual Bonus EBITDA exceeded target Bonus EBITDA by \$62.8 million. Accordingly, our Compensation Committee approved the payment of an initial bonus at the target level and an increase to the bonus pool of approximately \$25.4 million representing a portion of the excess of actual Bonus EBITDA over target Bonus EBITDA. As with base salary, each executive officer within the same level received the same bonus amount.

For fiscal 2010, each of our named executive officers received payments under the annual performance program as reflected in the “Non-Equity Incentive Plan Compensation” column of the Summary Compensation Table.

Our current annual performance program is based on meeting corporate annual performance goals. As more completely described below under “Changes to Our Compensation Program in Connection with this Offering,” we expect to structure our future annual performance bonus to be delivered via a mix of cash and equity. The equity portion will vest over time to more closely align our compensation program with market practices and enable future generations of officers to continue to own personally-significant amounts of our company stock.

*Long-term Equity Incentive Plans.* We believe that our executive officers should hold significant amounts of equity to align their interests to those of our stockholders, and, accordingly, long-term equity compensation is an important component of our compensation program. Prior to Carlyle’s investment in our company in 2008, our Predecessor granted stock options to our executive officers that vested and were exercisable on fixed dates over a period of years. In connection with Carlyle’s investment, these stock options were converted into stock options and restricted stock with fixed vesting and exercise dates under our Officers’ Rollover Stock Plan. Following that transaction and prior to the completion of this offering, our long-term incentive program has consisted of awards of stock options to our executives under the Equity Incentive Plan. We believe stock options further our objective of aligning the interests of our executive officers with those of our stockholders by providing our executive officers with a continuing stake in our long-term success and by rewarding only the future growth in our equity value. We have not historically granted stock options to our executive officers on an annual basis. Instead, an option grant is made only upon hire of an executive officer and/or upon promotion, so that each executive officer within the same band would receive the same number of options and total compensation. All of our named executive officers other than Mr. McConnell received a grant of stock options in 2008 following Carlyle’s investment in our company. Mr. McConnell received an award of options in fiscal 2010 upon his rehire, which is set forth in the “All Other Option Awards: Number of Securities Underlying Options” column in the Grants of Plan-Based Awards Table. At the beginning of fiscal 2011, Mr. Strickland received a grant of 4,500 performance-vesting stock options to reflect his promotion to the next senior level. Although our Compensation Committee approves the grant of stock options under the Equity Incentive Plan, the grants are made based on the band of the executive at the time of promotion and/or hire and generally do not take into account awards under the Officers’ Rollover Stock Plan, which were based on compensation initially awarded by our Predecessor. However, award levels under the Equity Incentive Plan for officers with long tenures and more equity under our Officers’ Rollover Stock Plan were reduced to provide greater equity incentives to officers in lower compensation bands.

The terms of the options under the Equity Incentive Plan were negotiated between members of management and Carlyle at the time they invested in our company. A portion of the options vest based on continued service and the remainder vest based on achievement of EBITDA and cumulative cash flow performance goals. The terms of the options are more fully described in footnote 2 to the Grants of Plan-Based Awards Table.

The EBITDA target for option vesting for fiscal 2010 was \$294.6 million, with the annual target level increasing by 12% each year thereafter. The cumulative cash-flow target for fiscal 2010 was \$194.4 million, with the annual amount used to calculate the cumulative target increasing by approximately 12% per year (and subject to upward or downward adjustment for changes in net revenue growth).

For purposes of the options, "EBITDA" is calculated in the same manner as Bonus EBITDA under the annual performance bonus program; and "cash flow" means (i) EBITDA for a fiscal year less (ii) the increase in adjusted working capital (accounts receivable (net) less accounts payable, less other accrued expenses) in the fiscal year (which may be a positive or a negative number) less (iii) any overruns in the annual budget for capital expenditures in the financial plan approved by the Board for that fiscal year.

In connection with the payment of a special dividend of \$10.87 per share on July 29, 2009 and the payment of a special dividend of \$46.42 per share on December 11, 2009, in each case to holders of record of Class A common stock, Class B non-voting common stock and Class C restricted common stock as of July 29, 2009 and December 8, 2009, respectively, outstanding options were required to be adjusted under the terms of our Officers' Rollover Stock Plan and Equity Incentive Plan. Our Compensation Committee determined to adjust options by reducing the exercise price to reflect the reduction in the value of our stock as a result of each of the extraordinary dividends, rather than to adjust both the exercise price and the number of shares issuable upon exercise of the options, to avoid the increase in the number of shares issuable upon exercise. Because the reduction in share value exceeded the exercise price for certain of our Rollover options, the exercise price for those options was reduced to the par value of the share issuable on exercise, and the holders, including our executive officers, became entitled to receive, on the option's fixed exercise date, a cash payment equal to the excess of the reduction in share value as a result of the dividend over the reduction in exercise price, subject to vesting of the related options.

For additional information on the stock options granted under the Equity Incentive Plan and Officers' Rollover Stock Plan, see "Executive Compensation Plans" below.

*Defined Contribution Retirement Plan.* We provide retirement benefits to our executive officers in order to provide them with additional security in retirement, while allowing them to direct the investment of their retirement savings as they choose. All employees, including our executive officers, are automatically eligible to participate in the tax-qualified Employees' Capital Accumulation Plan, or ECAP, our 401(k) plan. We make contributions to ECAP annually. In addition to contributions made to the tax-qualified ECAP, executive officers receive a cash payment equal to a percentage of eligible compensation in excess of the eligible compensation limit of the Internal Revenue Code which is intended as a supplement to the retirement plan contribution.

*Other Retirement Benefits.* We provide additional retirement benefits to our executive officers in order to provide them with additional security in retirement and promote a long-term career with our company. Our executive officers participate in the Officers' Retirement Plan, under which the executive officer may retire with full benefits after a minimum of either (x) age 60 with five years of service as an officer or (y) age 50 with ten years of service as an officer. An eligible executive officer who retires and does not receive severance benefits is entitled to receive a single lump sum retirement payment equal to \$10,000 for each year of service as an officer, pro-rated as appropriate, and an annual allowance of \$4,000 for financial counseling and tax preparation assistance. Our retirees are also eligible to receive comprehensive coverage for medical, pharmacy and dental health care. The premiums for this benefit are paid by us.

*Benefits and Perquisites.* Our employees are eligible to participate in a full complement of employer paid benefit plans. Our executive officers also participate in enhanced medical and dental plans, life insurance, AD&D and personal liability coverage. Although our executive officers receive additional benefits and



perquisites, such as executive medical, financial counseling and club membership reimbursement, we do not consider these to be a principal component of their compensation. We believe that our executive officer benefits and perquisite programs are reasonable and commensurate with benefits and perquisites provided to executive officers of similarly situated companies within our industry, and are necessary to sustain a fully competitive executive compensation program.

The perquisites include initiation fees for club memberships and reasonable dues on an annual basis and up to \$15,000 per year for financial counseling, up to \$7,500 every three years to update an estate plan, up to \$3,000 for preparation of estate plans following relocation to a new tax jurisdiction and a one-time reimbursement of up to \$5,000 for retirement financial planning. For more detail on the perquisites that our named executive officers receive, see footnote 5 to the "Summary Compensation Table" below.

#### **Changes to Our Compensation Program in Connection with this Offering**

*Adoption of Annual Incentive Plan.* Our Board will adopt a new compensation plan in connection with this offering because it believes that the new plan will more appropriately align our compensation programs with those of similarly situated public companies. For a description of the annual incentive plan, see "Executive Compensation Plans" below. Going forward, we expect to deliver a portion of the current annual compensation in the form of equity.

The amount of the annual incentive payment will be calculated in the same fashion as it previously was under the annual performance bonus program with the only change being that a portion of the bonus is expected to be paid in the form of equity. For fiscal 2011, the target bonus value was set at the beginning of the year and is subject to achievement of target Bonus EBITDA results. If Bonus EBITDA results exceed target, one-third of the dollars above target will be added to the pool available for officer compensation. If Bonus EBITDA results are below target, one-third of the dollars below target will be subtracted from the pool available for officer compensation. In each case, the additions or subtractions are subject to the adjustment of our Compensation Committee to take into consideration the impact of any extraordinary and non-recurring items and other factors. We determined to base annual bonuses for fiscal 2011 on Bonus EBITDA because it is a direct reflection of the cash flow and operating profitability of our business and it represents the element of our performance that executives can most directly impact. Our Compensation Committee has the discretion to determine the actual payments to our executive officers, subject to achievement of the performance measures. As described above, we expect that a portion of the annual incentive payment will be paid in cash and a portion will be paid in equity that will vest based on the passage of time, subject to the executive officer's continued employment by our company.

*Executive Ownership Guidelines.* Upon completion of this offering, we will establish equity ownership guidelines for our executive officers to further align their interests to those of our stockholders. Each of our named executive officers will have five years to achieve equity ownership with a value equivalent to the amount set forth in the following table:

<u>Named Executive Officers:</u>	<u>Ownership Guideline:</u>
Chief Executive Officer	5x base salary
Other Named Executive Officers	3x base salary

In calculating an executive officer's ownership, vested stock options issued under the Equity Incentive Plan, all stock options under the Officers' Rollover Stock Plan and vested and unvested restricted stock will be considered owned by the executive. We determined these ownership levels based on market and good governance practices. For more details on the Equity Incentive Plan and the Officers' Rollover Stock Plan, see "Executive Compensation Plans" below.

#### **Government Limitations on Compensation**

As a government contractor, we are subject to FAR, which governs the reimbursement of costs by our government clients. FAR 31.205-6(p) limits the allowability of senior executive compensation to a benchmark compensation cap established each year by the Administrator of the Office of Federal Procurement Policy, or

OFPP, under Section 39 of the OFPP Act (41 U.S.C. 435). The benchmark cap applies to the five most highly compensated employees in management positions. When comparing senior executive compensation to the benchmark cap, all wages, salary, bonuses and deferred compensation, if any, for the year, as recorded in our books and records, must be included. The current benchmark compensation cap, effective January 1, 2010 and as published in the Federal Register, is \$693,951. Any amounts over the cap are considered unallowable and are therefore not recoverable under our government contracts. FAR also limits the allowability of reimbursement for non-senior executive compensation.

#### ***Policy On Recovering Bonuses In The Event of a Restatement***

We have included provisions in our Annual Incentive Plan and our Equity Incentive Plan that provide us with the discretion after this offering to impose the forfeiture of bonuses and equity compensation and the recovery of bonus amounts and gains from equity compensation awarded under those plans with respect to individuals who engage in misconduct or gross negligence that results in a restatement of our financial statements or as otherwise required under applicable laws or regulations. In addition, if an individual engages in certain other misconduct, we have the discretion to suspend vesting of all or a portion of any award and/or require the forfeiture or disgorgement to us of any equity award (including gains on the sale of the stock, if any) that vested, was paid or settled in the twelve months prior to or any time after the individual engaged in such misconduct.

#### ***Certain Change in Control Provisions***

Options and restricted stock awarded under our Officers' Rollover Stock Plan and options granted under our Equity Incentive Plan prior to the date of this prospectus contain provisions that accelerate vesting in connection with certain change in control events. Under the Officers' Rollover Stock Plan and the Equity Incentive Plan, "change in control" is generally defined as the acquisition by any person (other than Carlyle) of 50% or more of the combined voting power our company's then outstanding voting securities, the merger of our company if its stockholders immediately prior to the merger together with Carlyle do not own more than 50% of the combined voting power of the merged entity, the liquidation or dissolution of our company (other than in a bankruptcy proceeding or for the purposes of effecting a corporate restructuring or reorganization) or the sale of all or substantially all the assets of our company to non-affiliates. Options and restricted stock granted under the Officers' Rollover Stock Plan vest upon a change in control. Vesting of options granted under our Equity Incentive Plan is accelerated only as a result of events that result in liquidity to Carlyle. These provisions were negotiated at the time of Carlyle's investment in our company and are designed to motivate management to assist our principal stockholders in achieving a favorable return on their investment in our company.

Following the completion of this offering, in the event of a change in control, unless the plan administrator determines otherwise, all time-vesting awards under the Equity Incentive Plan will fully vest and a pro-rated portion of outstanding performance-vesting awards will vest based on the performance achieved as of the change in control.

#### ***Policies On Timing of Equity Grants***

We expect that following the completion of this offering it will be our policy not to time the granting of equity awards in relation to the release of material, non-public information. Accordingly, we expect that regularly scheduled awards will be permitted to be granted at times when there is material non-public information. We expect that we will generally grant awards to new hires at the time of hire, promotion awards at the time of promotion and annual awards in June. In addition, it is our policy not to grant equity awards with effect from, or with an exercise price based on market conditions as they existed on, any date prior to the date on which the party in which granting authority is vested (typically our Compensation Committee or our Chief Executive Officer) takes formal action to grant them. It is our policy to promptly document any equity awards that we make; we would normally regard documenting to be prompt if we were to communicate the terms of the awards to their recipients, and to obtain signed award agreements governing the grants back from them, within one month of the date formal action is taken to issue them.

### *Effect of Accounting and Tax Treatment on Compensation Decisions*

Section 162(m) of the Internal Revenue Code imposes a limit on the amount of compensation that we may deduct in any one year with respect to certain “covered employees,” unless certain specific and detailed criteria are satisfied. Performance-based compensation, as defined in the Internal Revenue Code, is fully deductible if the programs are approved by stockholders and meet other requirements. As described above, all of our short-term non-equity incentive compensation is determined based upon the achievement of certain predetermined financial performance goals, which would generally permit us to deduct such amounts pursuant to Section 162(m). Pursuant to applicable regulations, Section 162(m) will not apply to compensation paid or stock options or restricted stock granted under the compensation agreements and plans described in this prospectus during the reliance transition period ending on the earlier of the date the agreement or plan is materially modified or the first stockholders meeting at which directors are elected during 2014. While we will continue to monitor our compensation programs in light of Section 162(m), our Compensation Committee considers it important to retain the flexibility to design compensation programs that are in the best long-term interests of our company and our stockholders, particularly as we continue our transition from a private to a public company. As a result, we have not adopted a policy requiring that all compensation be deductible and our Compensation Committee may conclude that paying compensation at levels that are not deductible under Section 162(m) is nevertheless in the best interests of our company and our stockholders.

Other provisions of the Internal Revenue Code can also affect compensation decisions. Section 409A of the Internal Revenue Code, which governs the form and timing of payment of deferred compensation, imposes sanctions, including a 20% penalty and an interest penalty, on a recipient of deferred compensation that does not comply with Section 409A. Our Compensation Committee takes into account the potential implications of Section 409A in determining the form and timing of compensation awarded to our executives and strives to structure its nonqualified deferred compensation plans to meet these requirements.

Section 280G of the Internal Revenue Code disallows a company’s tax deduction for payments received by certain individuals in connection with a change in control to the extent that the payments exceed an amount approximately three times their average annual compensation and Section 4999 of the Internal Revenue Code imposes a 20% excise tax on those payments. As described above, options and restricted stock awarded under our Officers’ Rollover Stock Plan and options granted under our Equity Incentive Plan have or will contain provisions that accelerate vesting of all or a portion of the awards in connection with a change in control. To the extent that payments upon a change in control are classified as excess parachute payments, our company’s tax deduction would be disallowed under Section 280G.

Compensation Tables and Disclosures

Summary Compensation Table

Name and Principal Position	Year (1)	Salary (\$)	Bonus (\$)	Option Awards \$(2)	Non-Equity Incentive Plan Compensation \$(3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings \$(4)	All Other Compensation \$(5)	Total (\$)
Ralph W. Shrader, President and Chief Executive Officer	2010	1,162,500	—	—	1,559,145	32,694	1,474,503	4,228,842
Samuel R. Strickland, Executive Vice President and Chief Financial Officer	2010	825,000	—	—	1,106,490	69,700	1,062,115	3,063,305
CG Appleby, Executive Vice President and General Counsel	2010	1,050,000	—	—	1,408,260	42,085	1,394,506	3,894,851
Joseph E. Garner, Executive Vice President	2010	1,050,000	—	—	1,408,260	50,985	1,296,961	3,806,206
John M. McConnell, Executive Vice President	2010	1,050,000	—	1,529,275	1,408,260	28,277	122,353	4,138,165

- (1) Year reflects fiscal 2010 — April 1, 2009 to March 31, 2010.
- (2) This column represents the grant date fair value of the options granted in fiscal 2010 at the time of Mr. McConnell's rehiring. Options are generally granted only on hire or promotion. See "Compensation Discussion and Analysis — Elements of Compensation — Long-term Equity Incentive Plans." The fair value of the awards was determined based on the probable outcome of the performance conditions using the valuation methodology and assumptions set forth in Note 17 to our financial statements for the fiscal year ended March 31, 2010, which are incorporated by reference herein, modified to exclude any forfeiture assumptions related to service-based vesting conditions. The amounts in this column do not reflect the value, if any, that ultimately may be realized by Mr. McConnell.
- (3) This column reflects bonuses under our annual performance bonus plan, which provides awards based on the achievement of a corporate performance objective. Awards under the annual performance bonus plan are paid in cash. The annual performance bonus plan is described more fully at "Compensation Discussion and Analysis — Elements of Compensation — Cash Compensation."
- (4) This column reflects the change in value over fiscal 2009 of the retiree medical and cash retirement benefit for each of our named executive officers.
- (5) The table below describes the elements included in All Other Compensation.

Name	Dividends and Related Payments on Unvested Restricted Stock and Vested Stock Options \$(a)	Club Membership (\$)	Financial Counseling (\$)	Qualified Company Contributions to 401(k) (\$)	Non-Qualified Company Retirement Contributions to Employee (\$)	Executive Medical Plan Contributions (\$)	Tax Gross Ups \$(b)	Other \$(c)	Total (\$)
Ralph W. Shrader	927,758	33,753	15,000	32,377	392,371	34,677	8,628	29,939	1,474,503
Samuel R. Strickland	675,348	32,481	3,040	32,377	264,629	34,677	3,215	16,348	1,062,115
CG Appleby	927,758	11,795	15,000	32,377	349,790	34,677	4,998	18,111	1,394,506
Joseph E. Garner	837,255	11,678	10,000	32,377	349,790	34,677	3,729	17,455	1,296,961
John M. McConnell	0	0	7,166	32,377	22,000	34,677	4,787	21,346	122,353

- (a) On July 27, 2009, our Board approved a special dividend of \$10.87 per share paid on July 29, 2009 to holders of record of our Class A common stock, Class B non-voting common stock and Class C restricted common stock as of July 29, 2009. In addition, on December 7, 2009, our Board approved a special dividend of \$46.42 per share paid on December 11, 2009 to holders of record as of December 8, 2009 of our Class A common stock, Class B non-voting common stock and Class C restricted common stock. In connection with these dividends and based on their equity holdings, our named executive officers received these dividend payments with respect to unvested Class C restricted common stock. Dividends on vested shares are not included because they are not considered compensation. In addition, in accordance with the terms of the Officers' Rollover Stock Plan, the exercise price of outstanding stock options was reduced by the reduction in value of our common stock as a result of each of the dividends. For any stock option with an exercise price less than the amount of the adjustment, the exercise price was reduced to the par value of our Class A common stock (\$0.01), and the option-holder was granted a right to receive a cash payment, in the same calendar year as the year the related option is required to be exercised, equal to the difference between the amount of the special dividend and the amount by which the related option's exercise price was reduced. Amounts earned or paid in fiscal 2010 are included in this column. Amounts earned or paid with respect to vested options are set forth in the Nonqualified Deferred Compensation Table below.
- (b) Includes tax gross-ups relating to life insurance coverage and milestone anniversary awards.
- (c) Includes: medical, dental, supplemental medical, life insurance, accident insurance, personal excess liability coverage, estate planning and milestone anniversary awards.

#### Grants of Plan-Based Awards

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards; Number of Shares or Stock Units	All Other Option Awards; Number of Securities Underlying Options	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$)
		Threshold (\$)	Target (\$)	Max (\$)	Threshold (\$)	Target (\$)	Max (\$)(H)				
Ralph W. Shrader	06/29/09	—	1,046,250	—	—	—	—	—	—	—	—
Samuel R. Strickland	06/29/09	—	742,500	—	—	—	—	—	—	—	—
CG Appleby	06/29/09	—	945,000	—	—	—	—	—	—	—	—
Joseph E. Garner	06/29/09	—	945,000	—	—	—	—	—	—	—	—
John M. McConnell	06/29/09	—	945,000	—	—	—	—	—	—	—	—
	05/07/09	—	—	—	—	—	—	—	27,500(2)	118.06(3)	1,529,275

- (1) Reflects target bonus levels for fiscal 2010 under our annual performance bonus plan, which provides awards based on the achievement of a corporate performance objective. Awards under the annual performance bonus plan are paid in cash. The annual performance bonus plan is described more fully at "Compensation Discussion and Analysis — Elements of Compensation — Cash Compensation." Non-equity incentive plan awards have no minimum threshold or maximum cap payouts. The actual bonuses paid under the plan for fiscal 2010 are reflected in the Summary Compensation Table.
- (2) On May 7, 2009, upon rejoining our company, Mr. McConnell received one-time awards of time-vesting and performance-vesting stock options under our Equity Incentive Plan. See "Executive Compensation Plans," below, for a description of our Equity Incentive Plan.

One-third of the options are service-vesting options, which vest and become exercisable, subject to the continued employment of the named executive officer, ratably over three years. Two-thirds of the options are performance options, which vest and become exercisable, subject to the continued employment of the named executive officer, ratably over three years based on achievement of EBITDA and cumulative cash flow performance goals, with the ability to "catch up" on missed goals if cumulative achievement reaches the target cumulative levels during the three-year vesting period. In the case of an option that vests based

on EBITDA performance, the missed performance goal must be at least 90% of the target level to be eligible for “catch up.”

All service-vesting options become fully vested and exercisable immediately prior to the effective date of certain change in control events. Any unvested performance options at the time of such a change in control event vest immediately prior to the effective date of event if Carlyle achieves a specified internal rate of return or the investment proceeds to Carlyle are at least a specified multiple of their invested capital.

For purposes of the options, “internal rate of return” means the internal rate of return realized by Carlyle on its invested capital as a result of the proceeds realized, or deemed realized, by Carlyle on its capital, calculated without reduction for any taxes and after giving effect to the vesting of any awards granted under the Equity Incentive Plan.

- (3) Reflects the exercise price on the grant date. The exercise price has been adjusted to \$60.77 to reflect the two extraordinary dividends paid in fiscal 2010. See “Compensation Discussion and Analysis — Elements of Compensation — Long-term Equity Incentive Plans.”

**Outstanding Equity Awards at Fiscal Year-End Table**

Name	Option Awards					Stock Awards	
	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested(5)	Market Value of Shares or Units of Stock That Have Not Vested (\$)(6)
<b>Ralph W. Shrader</b>	2,799	3,374(1)	4,853.55(2)	42.71	11/19/2018	10,445.3333	1,337,316
			2,613.45(3)	42.71	11/19/2018		
		13,895.154(4)		0.01	08/29/2010		
		11,910.132(4)		0.01	08/29/2011		
		7,940.088(4)		0.01	08/29/2012		
		7,940.088(4)		0.01	08/29/2013		
		5,955.066(4)		0.01	08/29/2014		
<b>Samuel R. Strickland</b>	3,699	4,934(1)	6,413.55(2)	42.71	11/19/2018	7,082.0000	906,708
			3,453.45(3)	42.71	11/19/2018		
		11,579.295(4)		0.01	08/29/2010		
		9,925.11(4)		0.01	08/29/2011		
		6,616.74(4)		0.01	08/29/2012		
		6,616.74(4)		0.01	08/29/2013		
		4,962.555(4)		0.01	08/29/2014		
<b>CG Appleby</b>	2,799	3,374(1)	4,853.55(2)	42.71	11/19/2018	10,445.3333	1,337,316
			2,613.45(3)	42.71	11/19/2018		
		13,895.154(4)		0.01	08/29/2010		
		11,910.132(4)		0.01	08/29/2011		
		7,940.088(4)		0.01	08/29/2012		
		7,940.088(4)		0.01	08/29/2013		
		5,955.066(4)		0.01	08/29/2014		

Name	Option Awards					Stock Awards	
	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested(5)	Market Value of Shares or Units of Stock That Have Not Vested \$(6)
Joseph E. Garner	2,799	3,374(1)	4,853.55(2)	42.71	11/19/2018	8,993.3333	1,154,416
			2,613.45(3)	42.71	11/19/2018		
		13,627.9395(4)		0.01	08/29/2010		
		11,681.0910(4)		0.01	08/29/2011		
		7,787.3940(4)		0.01	08/29/2012		
		7,787.3940(4)		0.01	08/29/2013		
John M. McConnell		5,840.5455(4)		0.01	08/29/2014		
		9,167(7)(8)	11,916.45(9)	60.77	05/07/2019		
			6,416.55(8)	60.77	05/07/2019		

- (1) The options vest and become exercisable, subject to the continued employment of the named executive officer, ratably on June 30, 2009, 2010, 2011, 2012 and 2013. All service-vesting options fully vest and become exercisable immediately prior to the effective date of certain change in control events.
- (2) The options vest and become exercisable, subject to the continued employment of the named executive officer, ratably on June 30, 2009, 2010, 2011, 2012 and 2013 based on achievement of EBITDA performance goals, with the ability to "catch up" on missed goals if (x) the missed performance goal was at least 90% of target level and (y) cumulative EBITDA performance reaches the target cumulative levels during the five-year vesting period. In addition, any unvested performance options at the time of a change in control event vest immediately prior to the effective date of the event if Carlyle achieves a specified internal rate of return as a result of the event or the investment proceeds to Carlyle are at least a specified multiple of its invested capital.
- (3) The options vest and become exercisable, subject to the continued employment of the named executive officer, ratably on June 30, 2009, 2010, 2011, 2012 and 2013 based on achievement of cumulative cash flow performance goals, with the ability to "catch up" on missed goals if cumulative achievement reaches the target cumulative levels during the five-year vesting period. In addition, any unvested performance options at the time of a change in control event vest immediately prior to the effective date of event if Carlyle achieves a specified internal rate of return as a result of the event or the investment proceeds to Carlyle are at least a specified multiple of its invested capital.
- (4) One third of the options are currently vested. The remaining options vest in equal annual installments on June 30, 2010 and 2011. To the extent the options become vested, they become exercisable as set forth below (all vested options must be exercised within 60 days following the annual exercise dates unless a named executive officer receives written consent from the administrator, in which case such options may be exercised through the end of the year in which they vest):

Exercise Commencement Date	June 30 2010	June 30 2011	June 30 2012	June 30 2013	June 30 2014
Percentage of vested options to be exercised	50%	50%	—	—	—
Percentage of options with June 30, 2010 vesting date to be exercised	50%	20%	20%	10%	—
Percentage of options with June 30, 2011 vesting date to be exercised	—	20%	20%	30%	30%

In connection with the special dividends of \$10.87 per share and \$46.42 per share paid to holders of our common stock in fiscal 2010 and in accordance with the terms of the Officers' Rollover Stock Plan, the exercise price of outstanding stock options was reduced by the reduction in value of our common stock as a result of each of the dividends. For any stock option with an exercise price less than the amount of the adjustment, the exercise price was reduced to the par value of our Class A common stock (\$0.01), and the option-holder was granted a right to receive a cash payment, in the same calendar year as the year the related option is required to be exercised, equal to the difference between the amount of the special dividend and the amount by which the related option's exercise price was reduced. This payment is subject to vesting and forfeiture on the same terms as the related option. To the extent they become vested, payments of such amounts to our named executive officers will be made as follows:

	June 30 2010	June 30 2011	June 30 2012	June 30 2013	June 30 2014
Ralph W. Shrader	\$575,870.35	\$493,603.16	\$329,068.77	\$329,068.77	\$246,801.58
Samuel R. Strickland	\$471,594.55	\$404,223.90	\$269,482.60	\$269,482.60	\$202,111.95
CG Appleby	\$575,870.35	\$493,603.16	\$329,068.77	\$329,068.77	\$246,801.58
Joseph E. Garner	\$563,305.16	\$482,832.99	\$321,888.66	\$321,888.66	\$241,416.50
John M. McConnell	—	—	—	—	—

Upon exercise of an option, the named executive officer must sell to us, and we must repurchase, at par value, one share of Class E special voting stock for each option exercised. If the named executive officer fails to complete the purchase of shares on exercise of the options within the time period set forth in the Officers' Rollover Stock Plan or fails to file an election under Section 83(b) of the Code with the Internal Revenue Service within thirty (30) days after exercise, the related shares of common stock will be deemed to have been forfeited by that named executive officer, and the named executive officer must sell to us, and we must repurchase, at par value, the related number of shares of Class E special voting stock held by the named executive officer.

- (5) Our Class C restricted common stock vests in equal annual installments on June 30, 2010 and 2011.
- (6) Market value has been determined based on the fair market value of our stock on March 31, 2010 of \$128.03.
- (7) The options vest and become exercisable, subject to the continued employment of the named executive officer, ratably on June 30, 2010, 2011 and 2012. All service-vesting options fully vest and become exercisable immediately prior to the effective date of certain change in control events.
- (8) The options vest and become exercisable, subject to the continued employment of the named executive officer, ratably on June 30, 2010, 2011 and 2012 based on achievement of cumulative cash flow performance goals, with the ability to "catch up" on missed goals if cumulative achievement reaches the target cumulative levels during the three-year vesting period. In addition, any unvested performance options at the time of a change in control event vest immediately prior to the effective date of event if Carlyle achieves a specified internal rate of return as a result of the event or the investment proceeds to Carlyle are at least a specified multiple of its invested capital.
- (9) The options vest and become exercisable, subject to the continued employment of the executive officer, ratably on June 30, 2010, 2011 and 2012 based on achievement of EBITDA performance goals, with the ability to "catch up" on missed goals if (x) the missed performance goal was at least 90% of target level and (y) cumulative EBITDA performance reaches the target cumulative levels during the three-year vesting period. In addition, any unvested performance options at the time of a change in control event vest immediately prior to the effective date of the event if Carlyle achieves a specified internal rate of return as a result of the event or the investment proceeds to Carlyle are at least a specified multiple of its invested capital.

#### **Option Exercises and Stock Vested Table**

The table below provides information on the named executive officers' restricted stock awards that vested and the stock options that they exercised in fiscal 2010.



Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise(1)	Value Realized on Exercise (\$)(2)	Number of Shares Acquired on Vesting(1)	Value Realized on Vesting (\$)(3)
Ralph W. Shrader	11,910.1320	1,425,064	5,222.6667	650,953
Samuel R. Strickland	9,925.1100	1,180,536	3,541.0000	441,350
CG Appleby	11,910.1320	1,425,064	5,222.6667	650,953
Joseph E. Garner	11,681.0910	1,396,513	4,496.6667	560,465
John M. McConnell	—	—	—	—

- (1) Fractional shares are paid in cash.
- (2) Option Award (\$) value realized is based on fair market value less exercise cost at time of exercise.
- (3) Stock Award (\$) value realized is based on fair market value on June 30, 2009.

#### Pension Benefits Table

The Officers' Retirement Plan is an unfunded defined benefit retirement plan that we maintain for our executive officers. Under the Officers' Retirement Plan, if an executive officer retires of his or her own volition (and is not entitled to severance) after a minimum of either (x) age 60 with five years of service as an officer or (y) age 50 with ten years of service as an officer, he or she will be entitled to receive a single lump sum retirement payment equal to \$10,000 for each year of service as an officer, pro-rated as appropriate. Currently all of our named executive officers are retirement eligible.

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefits (\$)(1)	Payments During Last Fiscal Year (\$)
Ralph W. Shrader	Officers' Retirement Plan	31.5	315,000	—
Samuel R. Strickland	Officers' Retirement Plan	14.4	144,000	—
CG Appleby	Officers' Retirement Plan	28.0	280,000	—
Joseph E. Garner	Officers' Retirement Plan	17.5	175,000	—
John M. McConnell	Officers' Retirement Plan	12.1	121,000	—

- (1) The present value of accumulated benefits has been calculated in a manner consistent with our reporting of the Retired Officers' Bonus Plan under Statement of Financial Accounting Standards No. 87, using the Accumulated Benefit Obligation with the exception of the retirement rate assumptions. The amounts shown above reflect an assumption that each participant collects his benefit at the earliest age at which an unreduced benefit is available.

#### Non-Qualified Deferred Compensation

In connection with the special dividends paid on July 29, 2009 and December 11, 2009 that resulted in an adjustment of the exercise price of outstanding options, our named executive officers who held options with exercise prices less than the amount of the adjustment were granted the right to receive a cash payment, in the same calendar year the related option vests, equal to the difference between the amount of the dividend and the amount by which the related option's exercise price was reduced. This payment is subject to vesting and forfeiture on the same terms as the related option. For a description of these dividend adjustment payments, see footnote 4 to the Outstanding Equity Awards at Fiscal Year-End Table above. Vested rights to these cash payments are reflected in the table below.

**Nonqualified Deferred Compensation Table**

Name	Plan Name	Executive Contributions in Last FY (\$)	Registrant Contributions in Last FY(1) (\$)	Aggregate Earnings in Last FY (\$)	Aggregate Withdrawals/Distributions (\$)	Aggregate Balance at Last FYE(2) (\$)
Ralph W. Shrader	Officers' Rollover Stock Plan	—	329,345	—	276	329,069
Samuel R. Strickland	Officers' Rollover Stock Plan	—	269,621	—	138	269,483
CG Appleby	Officers' Rollover Stock Plan	—	329,345	—	276	329,069
Joseph E. Garner	Officers' Rollover Stock Plan	—	322,027	—	138	321,889
John M. McConnell	Officers' Rollover Stock Plan	—	—	—	—	—

- (1) Registrant contributions represent, for each vested stock option issued under the Officers' Rollover Stock Plan held by the named executive officer on the record date with respect to each dividend declared in fiscal 2010, the difference between the value of the dividend paid and the amount by which the exercise price of the stock option was reduced. Amounts in this column are included in the "All Other Compensation" column of the Summary Compensation Table.
- (2) None of the amounts in this column would have been reported in our Summary Compensation Table in prior years.

**Employment Arrangements and Potential Payments Upon Termination or a Change in Control**

We do not have employment or severance agreements with any of our executive officers. However, upon a company approved departure, each named executive officer is eligible for transition pay equal to one month's base pay per year of service as an officer, up to a maximum of twelve months' base pay.

**Termination Payments**

*Officers' Retirement Plan.* If our named executive officers retire, they will each be entitled to receive a single lump sum retirement payment equal to \$10,000 for each year of service as an officer, pro-rated as appropriate, and an annual allowance of \$4,000 for financial counseling and tax preparation assistance. In addition, each of our named executive officers will be entitled to receive employer-paid retiree medical and dental coverage for life.

*Officers' Rollover Stock Plan.* If a named executive officer's employment is terminated due to the officer's death, any unvested stock options and restricted stock issued under the Officers' Rollover Stock Plan will vest and become exercisable. If a named executive officer's employment is terminated by us without cause, by reason of disability or in a "company approved departure," awards under the Officers' Rollover Stock Plan will continue to vest and be exercisable in accordance with the plan, subject to forfeiture if the named executive officer engages in competitive activity following the termination.

*Stockholders Agreement.* If a named executive officer's employment is terminated for any reason, then we may repurchase the common stock that the officer holds and that was issued pursuant to the Equity Incentive Plan at the price set forth in the Stockholders Agreement. See "Certain Relationships and Related Party Transactions — Stockholders Agreement."

**Change in Control Protections**

We do not have change in control agreements with any of our employees.

If a change in control occurs, the stock options issued under the Officers' Rollover Stock Plan will vest. Under the Equity Incentive Plan, if a change in control occurs, outstanding service-vesting options will vest immediately prior to the change in control and unvested performance-vesting options that are scheduled to vest in the year of the change in control, or that are subject to vesting under a catch-up vesting provision, vest immediately prior to the change in control if certain performance conditions are satisfied in the change in control.

The following table presents potential payments to each named executive officer as if the named executive officer's employment had been terminated or a change in control had occurred as of March 31, 2010, the last day of fiscal 2010. If applicable, amounts in the table were calculated using \$128.03, the fair market value of our common stock on March 31, 2010. The actual amounts that would be paid to any named executive officer can only be determined at the time of an actual termination of employment or change in control and would vary from those listed below. The estimated amounts listed below are in addition to any retirement, welfare and other benefits that are available to our salaried employees generally.

Name	Severance Pay (\$)(1)	Equity With Accelerated Vesting (\$)(2)	Retirement Plan Benefits: (\$)(7)	Death and Disability Benefits (\$)	Continued Perquisites and Benefits (\$)	Total (\$)
<b>Ralph W. Shrader</b>						
Death	—	8,394,179	—	2,096,875(3)	—	10,491,054
Disability	—	—	—	79,587(4)	296,198(5)	375,785
Company Approved Departure(8)	1,162,500	—	—	—	296,198(5)	1,458,698
Retirement	—	—	315,000	—	338,348(6)	653,348
Resignation/Other Termination	—	—	—	—	—	—
Termination for Cause	—	—	—	—	—	—
Change-In-Control	—	9,349,848	—	—	—	9,349,848
<b>Samuel R. Strickland</b>						
Death	—	6,758,979	—	2,068,750(3)	—	8,827,729
Disability	—	—	—	106,438(4)	494,673(5)	601,111
Company Approved Departure(8)	825,000	—	—	—	494,673(5)	1,319,673
Retirement	—	—	144,000	—	543,393(6)	687,393
Resignation/Other Termination	—	—	—	—	—	—
Termination for Cause	—	—	—	—	—	—
Change-In-Control	—	8,021,801	—	—	—	8,021,801
<b>CG Appleby</b>						
Death	—	8,394,179	—	2,087,500(3)	—	10,481,679
Disability	—	—	—	84,803(4)	389,278(5)	474,081
Company Approved Departure(8)	1,050,000	—	—	—	389,278(5)	1,439,278
Retirement	—	—	280,000	—	434,809(6)	714,809
Resignation/Other Termination	—	—	—	—	—	—
Termination for Cause	—	—	—	—	—	—
Change-In-Control(8)	—	9,349,848	—	—	—	9,349,848
<b>Joseph E. Garner</b>						
Death	—	8,067,459	—	2,087,500(3)	—	10,154,959
Disability	—	—	—	85,064(4)	424,849(5)	509,913
Company Approved Departure(8)	1,050,000	—	—	—	424,849(5)	1,474,849
Retirement	—	—	175,000	—	471,467(6)	646,467
Resignation/Other Termination	—	—	—	—	—	—
Termination for Cause	—	—	—	—	—	—
Change-In-Control	—	9,023,129	—	—	—	9,023,129
<b>John M. McConnell</b>						
Death	—	—	—	2,087,500(3)	—	2,087,500
Disability	—	—	—	70,736(4)	275,004(5)	345,740
Company Approved Departure(8)	1,050,000	—	—	—	275,004(5)	1,325,004
Retirement	—	—	120,900	—	315,995(6)	436,895
Resignation/Other Termination	—	—	—	—	—	—
Termination for Cause	—	—	—	—	—	—
Change-In-Control	—	1,849,650	—	—	—	1,849,650

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- (1) Each named executive officer is eligible for transition pay equal to one month's base pay per year of service as an officer up to a maximum of twelve months' base pay. An additional amount equal to a pro rata portion of the named executive officer's annual incentive compensation for the year in which the termination occurs may be paid upon termination at the discretion of the Board.
  - (2) This column includes the value of the equity with accelerated vesting calculated using \$128.03, the fair market value of our common stock on March 31, 2010, and the value of the deferred cash payment due to the named executive officers as a result of the special dividends paid on July 29, 2009 and December 11, 2009, as described in footnote 4 to the Outstanding Equity at Fiscal Year-End Table above.
  - (3) Each named executive officer has a \$2 million life insurance policy. If the death was accidental, an additional \$1.5 million would be paid. Survivors also receive one month's base pay.
  - (4) Includes present value of disability insurance payments that cover up to 60% of base salary and bonus with a maximum benefit of \$25,000 per month (\$300,000/year). The amounts in this column were calculated by valuing the benefit as a standard annuity benefit based on the incidence of disability, using assumptions consistent with FAS 87/106 accounting for our other benefit programs and, for the assumption of a rate of disability, the 1977 Social Security Disability Index table.
  - (5) Amount includes actuarial present value of retiree medical benefits. The present value of accumulated benefits has been calculated in a manner consistent with our reporting of the Retired Officers' Welfare Plan under Statement of Financial Accounting Standards No. 106, using the Accumulated Postretirement Benefit Obligation with an adjustment made to retirement age assumptions as required by SEC regulations.
  - (6) Amount includes actuarial present value of up to \$4,000 per year for financial counseling assistance and retiree medical benefits. The amounts in this column that represent the present value of the financial counseling allowance were calculated with the same assumptions we use to disclose our Retired Officers' Bonus Plan, consistent with FAS 87, with an adjustment to the rate of retirement; the valuation is based on the discounted value of the full \$4,000. The amounts in the column that represent the actuarial present value of retiree medical benefits were calculated as described in footnote 5 above.
  - (7) Benefits under the Officers' Retirement Plan. This amount has been calculated using the methodology and assumptions described in footnote 1 to the Pension Benefits Table above.
  - (8) Whether a termination of employment is deemed a company approved departure is determined at the discretion of our Compensation Committee.

#### **Compensation Committee Interlocks and Insider Participation**

Upon completion of this offering, we do not anticipate that any members of our Compensation Committee will serve as a member of the Board or Compensation Committee of any other entity that has one or more executive officers serving as a member of our Board or Compensation Committee. See "Certain Relationships and Related Party Transactions — Related Person Transactions."

#### **Executive Compensation Plans**

The following are summaries of the short- and long-term incentive compensation plans applicable to our executive officers: our Annual Incentive Plan, Equity Incentive Plan and Officers' Rollover Stock Plan. The following summaries are qualified by reference to the full text of the respective plans, which have been filed as exhibits to this registration statement.

##### ***Annual Incentive Plan***

Our Board has adopted an Annual Incentive Plan under which we will provide annual cash incentives to our executive officers and other key employees following our initial public offering.

*Purpose.* The purpose of the Annual Incentive Plan is to enable our company and its subsidiaries to attract, retain, motivate and reward executive officers and key employees by providing them with the opportunity to earn competitive compensation directly linked to our company's performance. The Annual Incentive Plan is designed to meet the requirements of the performance-based compensation exemption from Section 162(m) of the Internal Revenue Code to the extent that it is applicable to our company and the plan. We intend to comply with the Section 162(m) limits after the post-IPO transition period expires in 2014. See "Compensation Discussion and Analysis — Effect of Accounting and Tax Treatment on Compensation Decisions."

*Administration.* The Annual Incentive Plan is administered by our Compensation Committee, which may delegate its authority under the Annual Incentive Plan, other than with respect to awards to any employee whose compensation is subject to Section 162(m) of the Internal Revenue Code.

*Performance Criteria.* To the extent Section 162(m) of the Internal Revenue Code is applicable to our company and the plan, our Compensation Committee establishes the performance objective or objectives applicable to any award under the plan prior to the 91st day after the beginning of each performance period under the Annual Incentive Plan (and no later than the date on which 25% of the performance period has lapsed). When Section 162(m) of the Internal Revenue Code is applicable to our company and the plan, unless our Compensation Committee determines that an award will not qualify as performance-based compensation under Section 162(m) of the Internal Revenue Code, the performance criteria will be based on one of the following: earnings before interest, taxes, depreciation and amortization; operating earnings; net earnings; income; earnings before interest and taxes; total shareholder return; return on our assets; increase in our earnings or earnings per share; revenue growth; share price performance; return on invested capital; operating income; pre- or post-tax income; net income; economic value added; profit margins; cash flow; improvement in or attainment of expense or capital expenditure levels; improvement in or attainment of working capital levels; return on equity; debt reduction; gross profit; market share; cost reductions; workforce satisfaction and diversity goals; workplace health and safety goals; employee retention; completion of key projects and strategic plan development and/or implementation; job profit or performance against a multiplier; or in the case of persons whose compensation is not subject to Section 162(m) of the Internal Revenue Code, such other criteria as may be determined by our Compensation Committee.

*Payment.* Payment of awards will be made as soon as practicable after our Compensation Committee certifies that one or more of the applicable performance criteria have been attained. Our Compensation Committee will determine whether any award under the Annual Incentive Plan will be paid in cash, stock (including restricted stock or restricted stock units) or other awards under the Equity Incentive Plan, or in a combination of cash, stock, and other awards, including conditioning the vesting of such shares or other awards on the performance of additional service.

*Maximum Award; Discretion.* The maximum award amount payable per fiscal year under the Annual Incentive Plan is \$ . Our Compensation Committee has the discretion to reduce awards under the Annual Incentive Plan for any reason or increase awards to employees whose compensation is not subject to Section 162(m) of the Internal Revenue Code. Awards to employees whose compensation is subject to Section 162(m) of the Internal Revenue Code cannot be increased beyond the maximum award.

*Termination of Employment.* Unless otherwise determined by our Compensation Committee when the performance criteria are selected, any participant in the Annual Incentive Plan whose employment terminates will forfeit all rights to any unpaid award. However, (i) if a participant's employment terminates due to death, disability or "company approved departure" (as defined in the Annual Incentive Plan), our Compensation Committee may pay a partial award to the participant with respect to the portion of the performance period prior to the participant's termination of employment and (ii) if the participant's employment terminates for any reason prior to payment of the Annual Incentive Plan award, our Compensation Committee may waive the forfeiture feature, but may not waive the requirement to satisfy the performance criteria for participants whose compensation is subject to Section 162(m) of the Internal Revenue Code.

*Forfeiture.* The Annual Incentive Plan includes a clawback provision requiring forfeiture of any award (i) paid to an employee engaged in misconduct related to financial reporting or (ii) to the extent required by applicable law or regulations in effect on or after the effective date of the plan.

#### **Officers' Rollover Stock Plan**

Under the Officers' Rollover Stock Plan, (i) shares of common stock, (ii) restricted shares of common stock, (iii) shares of our special voting stock and (iv) non-qualified stock options were issued in exchange for the cancellation and surrender of shares and rights to purchase shares granted under our previous stock rights plan in connection with Carlyle's investment in our company.

*Eligibility and Shares Subject to the Officers' Rollover Stock Plan.* Certain officers who held stock or options in Booz Allen Hamilton Inc. prior to the transaction were eligible to participate in the Officers' Rollover Stock Plan. The aggregate number of shares issuable under the Officers' Rollover Stock Plan is equal to the number of shares that were rolled by the officers, and these shares may be authorized but unissued, or reacquired common stock. The aggregate number of shares of special voting stock that was issuable under the Officers' Rollover Stock Plan was equal to the number of stock rights that were rolled by the executive officers.

*Administration.* The administrator administers the Officers' Rollover Stock Plan. The administrator has the authority to determine the fair market value, make determinations as to the termination of an officer with respect to the officer's awards, approve forms of agreement for use under the plan, prescribe, amend and rescind rules and regulations relating to the plan, construe the terms of the plan, and make all other decisions and determinations that may be required under the plan.

#### *Restricted Stock*

*Grant.* Restricted stock was granted to executive officers under the Officers' Rollover Stock Plan in exchange for stock rights that were originally scheduled to vest and be exercised in 2008.

*Vesting.* With respect to officers who were eligible to retire from employment as of December 31, 2008 (the "retirement eligible officers"), the restricted stock vests in equal annual installments on June 30, 2009, 2010 and 2011. With respect to all other officers, fifty percent (50%) of the restricted stock vests on June 30, 2011, and twenty-five percent (25%) vests on each of June 30, 2012 and 2013. If an officer's employment is terminated for cause or if the officer engages in competitive activity (each as defined in the Officers' Rollover Stock Plan) during or following termination of employment, then our company has a right to repurchase the unvested restricted stock as described below. Otherwise, all shares of restricted stock will continue to vest without regard to his or her termination of employment and if an officer's employment is terminated by reason of the officer's death, all unvested shares of restricted stock vest as of the date of such termination of employment. Upon vesting, restricted stock is subject to the same repurchase provisions provided for common stock as described below.

#### *Options*

*Grant.* Options and shares of special voting stock were granted to officers under the Officers' Rollover Stock Plan in exchange for the surrender and cancellation of their rights to purchase stock in Booz Allen Hamilton Inc. other than those rights that were originally scheduled to vest and be exercised in 2008. The number of shares underlying each option (and, accordingly, an equal number of shares of special voting stock) and the exercise price for each option were determined by the administrator. Certain of the options ("excess options") were granted to certain officers who chose to exchange an amount of stock rights in excess of the amount the officer was required to exchange.

*Vesting.* With respect to retirement eligible officers, the options vest in equal annual installments on June 30, 2009, 2010 and 2011. With respect to all other officers, fifty percent (50%) of the new options vest on June 30, 2011, and twenty-five percent (25%) will vest on or about each of June 30, 2012 and 2013.

*Exercise.* To the extent options granted to retirement eligible officers (“retirement options”) become vested, they become exercisable as set forth below (all vested options must be exercised within sixty (60) days following the annual exercise dates unless an officer receives written consent from the administrator, in which case the options may be exercised through the end of the year in which they vest):

<u>Exercise Commencement Date</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>
Percentage of Retirement Options with June 30, 2009 vesting date to be exercised	60%	20%	20%	—	—	—
Percentage of Retirement Options with June 30, 2010 vesting date to be exercised	—	50%	20%	20%	10%	—
Percentage of Retirement Options with June 30, 2011 vesting date to be exercised	—	—	20%	20%	30%	30%

To the extent options granted to all other officers (“regular options”) become vested, they will become exercisable as set forth below (all vested options must be exercised within sixty (60) days following the annual exercise dates unless an officer receives written consent from the administrator, in which case the options may be exercised through the end of the year in which they vest):

<u>Exercise Commencement Date</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>
Percentage of Regular Options with June 30, 2011 vesting date to be exercised	20%	20%	20%	20%	20%
Percentage of Regular Options with June 30, 2012 vesting date to be exercised	—	25%	25%	25%	25%
Percentage of Regular Options with June 30, 2013 vesting date to be exercised	—	—	33%	33%	34%

Upon exercise of an option, an officer will sell to our company, and we will repurchase, at par value, one share of special voting stock for each regular option or retirement option exercised. If the officer fails to complete the purchase of shares of common stock within the time period set forth in the Officers’ Rollover Stock Plan or fails to file the 83(b) election with the Internal Revenue Service within thirty (30) days after exercise, the related shares of common stock will be deemed to have been forfeited by that officer, and the officer will sell to our company, and we will repurchase, at par value, the related number of shares of special voting stock acquired by the officer.

*Treatment of Options Upon Termination of Employment*

- *Cause or competitive activity:* If an officer’s employment is terminated for cause or if the officer engages in competitive activity (each as defined in the Officers’ Rollover Stock Plan) during or following termination of employment, then all unvested options will immediately be forfeited and we will have the right to convert vested but unexercised options into the right to receive upon exercise a cash payment equal to the excess, if any, of:
  - in the case of options (other than the excess options), (i) the lower of (a) fifty percent (50%) (or, in the case of a termination after June 30, 2016, ninety percent (90%)) of the fair market value of the shares subject thereto and (b) the “cost” over (ii) the per share exercise price, and
  - in the case of excess options, (i) the fair market value of the shares subject thereto over (ii) the per share exercise price.

“Cost” for this purpose means the greater of \$42.71 and the exercise price plus withholding taxes paid by the officer upon acquisition of the shares under the Officers’ Rollover Stock Plan.

- *Without cause, disability or company-approved departure:* In the event that an executive officer's employment is terminated without cause or by reason of disability or through a company-approved departure, then unvested options will continue to vest as otherwise provided and any not previously expired or exercised options held by the officer can be exercised on the applicable exercise date. However, we will have the right to convert any portion of any unexercised options into the right to receive upon vesting and exercise a cash payment equal to the excess, if any, of:
  - in the case of options (other than the excess options), (i) in our discretion, (a) the fair market value of the shares subject to the options as of the date of termination, or (b) the cost, over (ii) the per share exercise price for the shares, and
  - in the case of excess options, (i) the fair market value of the shares subject thereto over (ii) the per share exercise price.
- *Death:* In the event that an officer's employment is terminated by reason of death, any unvested portion of any options held by the officer (or his or her personal representative or person empowered under the deceased officer's will or the then applicable laws ("eligible representative")) and not previously expired or exercised, will immediately vest in full and any vested options held by the officer (or his or her eligible representative) not previously expired or exercised, will be exercisable by the eligible representative during the calendar year following the year of the officer's death or, if earlier, at the time that the option would have otherwise been required to be exercised. We will have the right to convert all or any portion of any unexercised options into the right to receive upon vesting and exercise a cash payment equal to the excess, if any, of:
  - in the case of options (other than the excess options), (i) in our discretion, (a) the fair market value of the shares subject to the option as of the date of termination, or (b) the cost, over (ii) the per share exercise price for the shares, and
  - in the case of excess options, (i) the fair market value of the shares subject thereto, over (ii) the per share exercise price, which in each case, will be paid to the officer's eligible representative during the calendar year following the year of the officer's death or, if earlier, at the time the new option would have otherwise been required to be exercised.

Any option that is not exercised or converted into the right to receive a cash payment will terminate at the end of the calendar year following the year of the officer's death or, if earlier, the end of the calendar year in which it would have otherwise been required to be exercised.

- *Termination for any Other Reason:* In the event an officer's employment is terminated for any reason other than those set forth above, any vested option not previously exercised or expired will be exercisable on the applicable exercise date. All unvested options will be immediately forfeited and canceled effective as of the date of termination. We will have the right to convert all or any portion of any vested but unexercised options into the right to receive upon exercise a cash payment equal to the excess, if any, of
  - in the case of options (other than the excess options), (i) the lower of (a) the fair market value of the shares subject thereto and (b) the cost, over (ii) the per share exercise price, and
  - in the case of excess options, (i) the fair market value of the shares subject thereto over (ii) the per share exercise price.

*Repurchase of Company Common Stock Subject to the Officers' Rollover Stock Plan upon Termination of Employment*

For any shares acquired pursuant to the Officers' Rollover Stock Plan that are designated as excess rollover shares pursuant to an exchange agreement between the shareholder and our company or are received on the exercise of an excess option, the purchase price per share equals the fair market value.



- *Cause or Competitive Activity*: If an officer's employment is terminated for cause or if the officer engages in competitive activity each as defined in the Officers' Rollover Stock Plan after such termination, then
- *Common Stock*: the purchase price for any shares of common stock (other than shares acquired pursuant to the Officers' Rollover Stock Plan that are designated as excess rollover shares pursuant to an exchange agreement entered into between the shareholder and our company or are received on the exercise of an excess option) will equal
  - until June 30, 2016, the lower of (x) fifty percent (50%) of fair market value and (y) the cost and
  - after June 30, 2016, ninety percent (90%) of fair market value.
- *Unvested Restricted Stock*: the purchase price per share for any unvested restricted stock will equal the lower of (i) the exercise price of the 2008 stock rights with respect to which the restricted stock was granted plus any withholding taxes paid by the officer relating to the surrender of 2008 stock rights or the grant of the shares of restricted stock and minus any dividends paid on the restricted stock or (ii) fifty percent (50%) of the fair market value.
- *Without Cause, Disability, Death or Company Approved Departure*: If an officer's employment is terminated without cause or by reason of the officer's death or disability or company approved departure, then, the purchase price for any shares of common stock (other than excess rollover shares) will equal, in the administrator's discretion, either (x) the fair market value of the shares as of the repurchase date or (y) the cost.
- *Termination for any Other Reason*: If an officer is terminated for any other reason than those described above, then the purchase price for any shares of common stock (other than excess rollover shares) will equal, in our company's discretion, either (x) the fair market value of the shares as of the date of the repurchase or (y) the cost.

#### *Change in Control*

Upon a change in control, any unvested options will vest in full, and all options will become immediately exercisable. In connection with the foregoing, the administrator may provide that each option will be canceled in exchange for a payment in an amount equal to the number of shares covered by option times the excess, if any, of the change in control price (as defined in the Officers' Rollover Stock Plan) over any applicable exercise price for the option. Each option that is not canceled in exchange for a payment must be exercised no later than the earlier of ninety (90) days after a change in control or the end of the calendar year of the change in control, or the options will be forfeited.

#### *Adjustment in Capitalization*

If the administrator determines that a corporate transaction or event (including, for example, any recapitalization (including a leveraged recapitalization), reclassification, stock split, reverse stock split, reorganization, merger, consolidation, acquisition, disposition, split-up, spin off, combination, repurchase, liquidation, dissolution, or sale, transfer, exchange or any disposition of all or substantially all of our capital stock or assets) in the administrator's discretion, affects the shares such that an adjustment to an award under the Officers' Rollover Stock Plan is determined by the administrator to be appropriate to prevent dilution or enlargement of benefits or potential benefits intended to be made available under the plan, then the administrator will adjust any or all of: (i) the number and kind of shares with respect to which an award may be granted under the plan; (ii) the number and kind of shares subject to outstanding awards; (iii) the grant or exercise price per share for any outstanding awards under the plan; (iv) the cost, or (v) the terms and conditions of any outstanding awards.

### **Equity Incentive Plan**

*Administration.* Our Board has the power and authority to administer the Equity Incentive Plan. In accordance with the terms of the Equity Incentive Plan, our Board has delegated this power and authority to our Compensation Committee. Our Compensation Committee has the authority to interpret the terms and intent of the Equity Incentive Plan, to determine eligibility for and terms of awards for participants and to make all other determinations necessary or advisable for the administration of the Equity Incentive Plan.

*Awards.* Awards under the Equity Incentive Plan may be made in the form of stock options, which may be either incentive stock options or non-qualified stock options; stock purchase rights; restricted stock; restricted stock units; performance shares; performance units; stock appreciation rights; dividend equivalents; deferred share units; dividend equivalents; and other stock-based awards.

*Shares Subject to the Plan.* Subject to adjustment as described below, a total of \_\_\_\_\_ shares of our common stock will be available for issuance under the Equity Incentive Plan. Shares issued under the Equity Incentive Plan may be authorized but unissued shares or reacquired shares. At such time as Section 162(m) of the Internal Revenue Code is applicable to our company and the plan, (i) a participant may receive a maximum of \_\_\_\_\_ performance shares, shares of performance-based restricted stock and restricted stock units and performance-based deferred share units under the Equity Incentive Plan in any one year, (ii) the maximum dollar amount of cash that may be earned in connection with the grant of performance units during any calendar year may not exceed \$ \_\_\_\_\_ and (iii) the maximum number of stock options, SARs or other awards based solely on the increase in the value of common stock that a participant may receive in one year is \_\_\_\_\_.

Any shares covered by an award, or portion of an award, granted under the plan that terminates, is forfeited, is repurchased (other than the repurchase of shares issued with respect to a vested award), expires, or lapses for any reason shall again be available for the grant of an award under the plan. Additionally, any shares tendered or withheld to satisfy the grant or exercise price or tax withholding obligations pursuant to any award shall again be available for issuance.

*Terms and Conditions of Options and Stock Appreciation Rights.* An “incentive stock option” is an option that meets the requirements of Section 422 of the Internal Revenue Code, and a “non-qualified stock option” is an option that does not meet those requirements. A “stock appreciation right” (or SAR) is the right of a participant to a payment, in cash, shares of common stock, or a combination of cash and shares equal to the amount by which the market value of a share of common stock exceeds the exercise price of the stock appreciation right. An option or SAR granted under the Equity Incentive Plan will be exercisable only to the extent that it is vested on the date of exercise. No option or SAR may be exercisable more than ten years from the grant date or five years from the grant date in the case of an award granted to a ten percent stockholder. Our Compensation Committee may include in the option agreement the period during which an option may be exercised following termination of employment or service. Stock appreciation rights may be granted to participants in tandem with options or on their own. Tandem stock appreciation rights will generally have substantially similar terms and conditions as the options with which they are granted.

The exercise price per share under each option granted under the plan may not be less than 100%, or 110% in the case of an incentive stock option granted to a ten percent stockholder, of the fair market value of our common stock on the option grant date. For so long as our common stock is listed on an established stock exchange, the fair market value of the common stock will be the closing price of our common stock on the exchange on which it is listed on the option grant date. If there is no closing price reported on the option grant date, the fair market value will be deemed equal to the closing price on the exchange on which it is listed for the last preceding date on which sales of our common stock were reported. If the shares of our common stock are listed on more than one established stock exchange, the fair market value will be the closing price of a share of common stock reported on the exchange selected by our Board. If our common stock is not listed on any stock exchange or traded in the over-the-counter market, fair market value will be as determined in good faith by our Board in a manner consistent with Section 409A of the Internal Revenue Code.

The aggregate fair market value of all shares with respect to which incentive stock options are first exercisable by an award recipient in any calendar year may not exceed \$100,000 or such other limitation as imposed by Section 422(d) of the Internal Revenue Code.

*Terms and Conditions of Restricted Stock and Restricted Stock Units.* “Restricted stock” is an award of common stock on which certain restrictions are imposed over specified periods that subject the shares to a substantial risk of forfeiture, as defined in Section 83 of the Internal Revenue Code. A restricted stock unit is a unit, equivalent in value to a share of common stock, credited by means of a bookkeeping entry in our books to a participant’s account, which is settled in stock or cash upon vesting. Subject to the provisions of the equity plan, our Compensation Committee will determine the terms and conditions of each award of restricted stock or restricted stock units, including the restricted period for all or a portion of the award, and the restrictions applicable to the award. Restricted stock and restricted stock units granted under the plan will vest based on a minimum period of service or the occurrence of events specified by our Compensation Committee.

*Terms and Conditions of Performance Shares and Performance Units.* A “performance share” is an award of common stock that is subject to transfer restrictions until predetermined performance conditions have been achieved. A “performance unit” is a unit, equivalent in value to a share of common stock, that represents the right to receive a share of common stock or the equivalent cash value of a share of common stock if predetermined performance conditions are achieved. Vested performance units may be settled in cash, stock or a combination of cash and stock, at the discretion of the administrator. Performance shares and performance units will vest based on the achievement of pre-determined performance goals established by the Equity Incentive Plan administrator, performance goals may be based on: the total return to our shareholders inclusive of dividends paid, during the performance cycle; earnings before interest, taxes, depreciation and amortization; operating earnings; net earnings; income; earnings before interest and taxes; total shareholder return; return on our assets; increase in our earnings or earnings per share; revenue growth; share price performance; return on invested capital; operating income; pre- or post-tax income; net income; economic value added; profit margins; cash flow; improvement in or attainment of expense or capital expenditure levels; improvement in or attainment of working capital levels; return on equity; debt reduction; gross profit; market share; cost reductions; workforce satisfaction and diversity goals; workplace health and safety goals; employee retention; completion of key projects and strategic plan development and/or implementation; job profit or performance against a multiplier; or when Section 162(m) of the Internal Revenue Code is not applicable to our company and the plan and for persons whose compensation is not subject to Section 162(m) of the Internal Revenue Code such other criteria as may be determined by the administrator. We intend to comply with the Section 162(m) limits after the post-IPO transition period expires in 2014. See “Compensation Discussion and Analysis — Effect of Accounting and Tax Treatment on Compensation Decisions.”

*Terms and Conditions of Deferred Share Units.* A “deferred share unit” is a unit credited to a participant’s account in our books that represents the right to receive a share of common stock or the equivalent cash value of a share of common stock upon a predetermined settlement date. Deferred share units may be granted by the administrator independent of other awards or compensation, or they may be received at the participant’s election instead of other compensation.

*Other Stock-Based Awards.* The plan administrator may make other equity-based or equity-related awards not otherwise described by the terms of the plan.

*Dividend Equivalents.* A dividend equivalent is the right to receive payments in cash or in stock, based on dividends with respect to shares of stock. Dividend equivalents may be granted to participants in tandem with another award or on their own.

*Termination of Employment.* Except as otherwise determined by the administrator at the time of grant, in the event of a participant’s death, the participant’s unvested awards will vest, with performance shares and performance units will vest as if the participant had remained employed through the end of the performance period and performance was achieved at target levels, and all of the participant’s options and stock appreciation rights will remain exercisable until the first anniversary of the participant’s termination of employment (or the expiration of the award’s term, whichever is earlier). Except as otherwise determined by the administrator at the time of grant, in the event of a participant’s termination due to disability or in a

“company approved departure” (as defined in the plan), the participant’s unvested awards will continue to vest in accordance with the normal vesting schedule, with the number of performance shares and performance units based on actual achievement of the performance goals determined as if the participant had remained employed through the end of the performance period pro-rated, in the case of a company approved departure, for the period of actual service, and options or stock appreciation rights will remain exercisable until the first anniversary of the later of the date of vesting or the participant’s termination of employment (or the expiration of the award’s term, whichever is earlier). In the event of a participant’s termination for cause, all unvested awards, and all options and SARs, whether vested or unvested, will immediately be forfeited and canceled. In addition, any award that vested or was paid or otherwise settled during the twelve months prior to or any time after the participant engaged in the conduct that gave rise to the termination for cause is subject to forfeiture and disgorgement to us together with all gains earned or accrued due to the exercise of awards or sale of any of our common stock issued pursuant to the award upon demand by the administrator. Except as otherwise determined by the administrator at the time of grant, if a participant’s employment terminates for any other reason, all unvested awards will be forfeited and all options and SARs that are vested will remain outstanding until the 60th day after the date of termination (or the expiration of the award’s term, whichever is earlier). The foregoing provisions do not apply to any options granted before this offering.

*Other Forfeiture Provisions.* If we are required to prepare an accounting restatement due to material noncompliance with any financial reporting requirement under the securities laws, and if a participant knowingly or grossly negligently engaged in the misconduct or knowingly or grossly negligently failed to prevent the misconduct, or if the participant is one of the individuals subject to automatic forfeiture under Section 304 of the Sarbanes-Oxley Act of 2002, then the participant must forfeit and disgorge (i) any awards granted or vested and all gains earned or accrued due to the exercise of stock options or SARs or the sale of any common stock during the twelve months following the filing of the financial document embodying such financial reporting requirement and (ii) any other awards that vested based on the materially non-complying financial reporting. To the extent required by applicable law or regulations, awards granted or vested and any gains earned or accrued due to the exercise of options or SARs or sale of common stock must be forfeited to us.

Unless otherwise determined by the Administrator, if a participant engages in competitive activity (as defined in the plan), (i) all options and SARs, whether vested or unvested, and all other awards that are unvested or unexercisable or otherwise unpaid shall be immediately forfeited (other than awards that vested or were paid to the participant more than 12 months prior to the date the participant engaged in competitive activity). Any award vested, paid or otherwise settled in the 12 months prior to the date that the participant engaged in the competitive activity or at any time thereafter is subject to forfeiture and disgorgement to us together with all gains earned or accrued due to the exercise of awards or sale of any of our common stock issued pursuant the award upon demand by the administrator. This provision does not apply to any options granted before this offering.

Unless otherwise determined by the administrator, if (i) the participant’s performance is deemed to contribute substantially to significant financial losses, (ii) the participant’s performance is deemed to contribute substantially to a significant downward restatement of any published results of our company or a subsidiary, (iii) the participant’s conduct results in or contributes substantially to significant reputational harm to our company, (iv) the participant materially breaches applicable legal and/or regulatory requirements, (v) the participant’s conduct constitutes cause (as defined in the plan) or (vi) the participant’s conduct results in or contributes substantially to a material breach of our applicable internal policies and procedures, the administrator may suspend the vesting of a participant’s unvested awards or subject any award vested, paid or otherwise settled in the twelve months prior to the date that the participant engaged in the misconduct or at any time thereafter to forfeiture and disgorgement to us together with all gains earned or accrued due to the exercise of awards or sale of any of our common stock issued pursuant the award upon demand by the administrator. This provision does not apply to any options granted before this offering.

*Change in Capitalization or Other Corporate Event.* The number and kind of shares of common stock covered by outstanding awards, the number and kind of shares of common stock that have been authorized for issuance under the plan, the exercise or purchase price of each outstanding award, and the like, shall be

proportionally adjusted by the administrator in the event of any recapitalization, reclassification, stock split, special dividend, reverse stock split, reorganization, merger, consolidation, acquisition, disposition, split-up, spin off, combination, repurchase liquidation, dissolution, or sale, transfer, exchange or any disposition of all or substantially all of our capital stock or assets. Such adjustment shall be made by the administrator to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the plan or with respect to an award. All determinations and adjustments made by the administrator shall be final and binding.

*Change in Control.* Upon a change in control, unless otherwise determined by the administrator, all time-vesting awards fully vest and a pro-rated portion of outstanding performance-vesting awards vest based on the performance achieved as of the change in control.

#### EQUITY COMPENSATION PLANS

The following table presents information concerning the securities authorized for issuance pursuant to our equity compensation plans as of March 31, 2010:

Plan Category	Number of Securities to Be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by securityholders	2,641,080.7335(1)	\$23.74	776,356
Equity compensation plans not approved by securityholders	—	N/A	—
<b>Total</b>	<b>2,641,080.7335(1)</b>	<b>23.74</b>	<b>776,356</b>

(1) Upon the exercise of all outstanding options, we will issue 2,640,821 shares of Class A common stock and will redeem 259.7335 fractional shares for cash.

## CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

### **Policies and Procedures for Related Person Transactions**

Upon completion of this offering, we intend to adopt a related person transactions policy pursuant to which our executive officers, directors and principal stockholders, including their immediate family members, will not be permitted to enter into a related person transaction with us without the consent of our Audit Committee, another independent committee of our Board or the full Board. Any request for us to enter into a transaction with an executive officer, director, principal stockholder or any of such persons' immediate family members, in which the amount involved exceeds \$120,000, will be required to be presented to our Audit Committee for review, consideration and approval. All of our directors, executive officers and employees will be required to report to our Audit Committee any such related person transaction. In approving or rejecting the proposed transaction, our Audit Committee will take into account, among other factors it deems appropriate, whether the proposed related person transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances, the extent of the person's interest in the transaction and, if applicable, the impact on a director's independence. Under the policy, if we should discover related person transactions that have not been approved, our Audit Committee will be notified and will determine the appropriate action, including ratification, rescission or amendment of the transaction. A copy of our related person transactions policy will be available on our website.

### **Related Person Transactions**

Set forth below is a summary of certain transactions since April 1, 2009 among us, our directors, our executive officers, beneficial owners of more than 5% of any class of our common stock or our preferred stock outstanding before completion of the offering and some of the entities with which the foregoing persons are affiliated or associated in which the amount involved exceeds or will exceed \$120,000.

#### ***Common Stock Dividends***

On July 27, 2009, our Board approved a special dividend of \$10.87 per share paid on July 29, 2009 to holders of record as of July 29, 2009 of our Class A common stock, Class B non-voting common stock and Class C restricted common stock, totaling an aggregate amount of \$114.9 million, of which Coinvest received \$104.0 million. See "Dividend Policy."

On December 7, 2009, our Board approved a special dividend of \$46.42 per share paid on December 11, 2009 to holders of record as of December 8, 2009 of our Class A common stock, Class B non-voting common stock and Class C restricted common stock, totaling an aggregate amount of \$497.5 million, approximately \$444.1 million of which was paid to Coinvest. See "Dividend Policy."

#### ***Stockholders Agreement***

In connection with the Acquisition, on July 31, 2008, Booz Allen Holding, Coinvest, certain members of the management of Booz Allen Holding and certain other stockholders of Booz Allen Holding entered into the Stockholders Agreement. Under the Stockholders Agreement, the number of directors on the Board of Booz Allen Holding is set at six directors and may be increased, by action of the Board, to not more than nine directors. Subject to certain conditions and restrictions, at least a majority of the members of the Board are to be designated by Carlyle, through Coinvest, and at least two members of the Board must be full-time employees of Booz Allen Hamilton and are to be designated by Booz Allen Holding's Chief Executive Officer. At such time as Carlyle, through Coinvest, ceases to own at least 40% of the voting shares of Booz Allen Holding, Carlyle and Booz Allen Holding will use commercially reasonable efforts to amend the board representation provisions of the Stockholders Agreement consistent with the ownership position of Carlyle at that time. See "Management — Executive Officers and Directors" and "— Board Composition."

Each individual stockholder who is a party to the Stockholders Agreement has certain tag-along rights in the event that Carlyle proposes to transfer securities issued by Booz Allen Holding to a third party purchaser. In addition, Carlyle may compel each individual stockholder who is a party to the Stockholders Agreement to

sell a certain number of securities issued by Booz Allen Holding in the event that Carlyle proposes to transfer securities issued by Booz Allen Holding to a third party purchaser. Notwithstanding the foregoing as well as certain other limited exceptions (including an exception for transfers occurring at least 180 days following an initial public offering), the Stockholders Agreement restricts the transfer of securities of Booz Allen Holding by non-Carlyle stockholders without the prior written approval of Carlyle.

Under the Stockholders Agreement, in the event of any sale of shares of Class B non-voting common stock or Class C restricted common stock pursuant to the exercise of bring-along rights by Carlyle, the exercise of tag-along rights, certain transfers following an initial public offering or pursuant to the exercise of registration rights (discussed below), such shares will be converted into shares of Class A common stock.

Carlyle has certain registration rights under the Stockholders Agreement with respect to certain securities of Booz Allen Holding and, in certain circumstances, other stockholders of Booz Allen Holding who are party to the Stockholders Agreement may have the right, subject to certain exceptions, to request that certain securities of Booz Allen Holding be registered. Booz Allen Holding has agreed to indemnify the stockholders that are a party to the Stockholders Agreement and their affiliates from liabilities resulting from the registration of securities of Booz Allen Holding pursuant to the Stockholders Agreement.

Booz Allen Holding has certain repurchase rights under the Stockholders Agreement with respect to securities issued to a management stockholder for up to nine months after the occurrence of certain events specified in the Stockholders Agreement. Similar repurchase rights exist for securities of Booz Allen Holding received by certain parties in connection with the Acquisition and any other stockholders of Booz Allen Holding that becomes an employee, consultant or independent contractor for certain competitors of Booz Allen Hamilton.

The Stockholders Agreement includes a waiver by management stockholders of certain rights to receive payments or other benefits that would constitute a "parachute payment" made in connection with a "change in ownership or control" of a corporation, within the meaning of Section 280G of the Internal Revenue Code of 1986, or the Code, as amended, which could reasonably be expected to result in the imposition of an excise tax on the management stockholder under Section 4999 of the Code or in the loss of any income tax deductions by Booz Allen Holding or the person making such payment under Section 280G of the Code. This waiver does not apply in certain circumstances, including at such time as Booz Allen Holding has publicly traded securities and where Booz Allen Holding obtains the requisite stockholder approval of such payments or the unaffiliated directors determine the waiver should not apply.

We will be entering into the Amended and Restated Stockholders Agreement in connection with this offering. Upon completion of this offering, Carlyle will continue to have the right to designate a majority of the members of our Board for nomination for election and voting power to elect such directors. In addition, this agreement will continue to provide rights and restrictions with respect to certain transactions in our securities entered into by Coinvest or certain other stockholders.

#### ***The Management Agreement***

On July 31, 2008, Booz Allen Holding and Booz Allen Hamilton entered into a management agreement with TC Group V US, L.L.C., a company affiliated with Carlyle, or TC Group, pursuant to which TC Group provides Booz Allen Holding and its subsidiaries, including Booz Allen Hamilton, with advisory, consulting and other services. Booz Allen Holding pays TC Group an aggregate annual fee of \$1.0 million for such services, plus expenses. In addition, Booz Allen Holding made a one-time payment to TC Group of \$20.0 million for investment banking, financial advisory and other services provided to Booz Allen Holding in connection with the Acquisition. Furthermore, in consideration for any additional investment banking services provided by TC Group and other services other than advisory and consulting services described above, TC Group is entitled to receive additional reasonable compensation as agreed by the parties.

The management agreement also provides that Booz Allen Hamilton will indemnify the TC Group and its officers, employees, agents, representatives, members and affiliates against certain liabilities relating to or arising out of the performance of the management agreement and certain other claims and liabilities. Prior to the completion of this offering, we will enter into indemnification agreements with each of our directors. The

indemnification agreements will provide the directors with contractual rights to the indemnification and expense advancement rights provided under our bylaws, as well as contractual rights to additional indemnification as provided in the indemnification agreements.

We believe that the management and indemnification agreements are, in form and substance, substantially similar to those commonly entered into in transactions of like size and complexity sponsored by private equity firms. We further believe that the fees incurred by us under the management agreement are customary and within the range charged by similarly situated sponsors. In addition, from time to time and in the ordinary course of business, we engage other Carlyle portfolio companies as subcontractors or service providers and they engage us as subcontractors or service providers. The cost and revenue associated with these related party transactions were \$13.5 million and \$15.1 million, respectively, for fiscal 2010.

#### **The Acquisition**

In connection with the Acquisition, our current and former executive officers listed below (or their related family trusts) received a combination of current and deferred cash consideration as well as stock and options in Booz Allen Holding. Of the overall cash consideration, \$158.0 million was structured as an interest in the Deferred Payment Obligation and \$90.0 million was deposited into escrow to fund certain purchase price adjustments, future indemnification claims under the Merger Agreement and for certain other adjustments. The remainder of the cash consideration was paid on the Closing Date as part of the Acquisition. The current and former executive officers listed below (or their related family trusts) receive their pro rata share of any payments of the Deferred Payment Obligation and any releases of funds held in escrow to selling stockholders. On December 11, 2009, approximately \$100.4 million of the Deferred Payment Obligation, including \$22.4 million in accrued interest, was repaid to selling stockholders and our current and former executive officers (or their related family trusts) received their pro rata share of that partial repayment. For further information on the partial repayment of the Deferred Payment Obligation, see "The Acquisition and Recapitalization Transaction."

The table below sets forth the cash proceeds received by our current and former executive officers (and their related family trusts) on the Closing Date, the number of shares of Class A Common Stock received as part of the exchange of equity in Booz Allen Hamilton for equity in Booz Allen Holding, cash received on the partial repayment of the Deferred Payment Obligation in December 2009 and the percentage interest of our current and former executive officers (and their related family trusts) in the Deferred Payment Obligation and the funds held in escrow under the Merger Agreement. For a description of the restricted stock and options received by our named executive officers in connection with the Acquisition, see "Executive Compensation."

<b>Executive Officer</b>	<b>Gross Cash Received at Closing (\$)</b>	<b>Shares of Class A Common Stock Received (#)(1)</b>	<b>Partial Repayment of Deferred Payment Obligation (\$)</b>	<b>Escrow Percentage (%)</b>	<b>Deferred Payment Obligation Percentage (%)</b>
Ralph W. Shrader, President and Chief Executive Officer	\$30,963,618	180,178	\$3,049,845	3.02%	3.04%
Samuel R. Strickland, Executive Vice President and Chief Financial Officer	\$ 6,867,181	—	\$ 698,923	0.69%	0.70%
CG Appleby, Executive Vice President and General Counsel	\$22,117,104	106,885	\$2,178,461	2.16%	2.17%
Joseph E. Garner, Executive Vice President	\$11,058,800	18,705	\$1,089,230	1.08%	1.08%
Francis J. Henry, Executive Vice President	\$ 3,487,591	—	\$ 344,923	0.34%	0.34%
Horacio D. Rozanski, Executive Vice President and Chief Strategy and Talent Officer	\$ 2,411,507	2,290	\$ 299,538	0.30%	0.30%
John D. Mayer, Executive Vice President	\$ 2,757,101	—	\$ 317,692	0.31%	0.32%
Joseph Logue, Executive Vice President	\$ 1,412,668	—	\$ 181,538	0.18%	0.18%



Executive Officer	Gross Cash Received at Closing (\$)	Shares of Class A Common Stock Received (#)(1)	Partial Repayment of Deferred Payment Obligation (\$)	Escrow Percentage (%)	Deferred Payment Obligation Percentage (%)
Joseph W. Mahaffee, Executive Vice President	\$ 3,668,814	—	\$ 363,077	0.36%	0.36%
Lloyd Howell, Jr., Executive Vice President	\$ 1,796,103	—	\$ 226,923	0.22%	0.23%
Patrick F. Peck, Executive Vice President	\$ 4,515,771	954	\$ 444,769	0.44%	0.44%
Dennis Doughty (retired)	\$16,835,098	—	\$1,270,769	1.26%	1.27%

(1) Does not reflect -for-1 split of our outstanding common stock to be effected prior to the completion of this offering.

As of March 31, 2010, there was approximately \$82.4 million of the Deferred Payment Obligation outstanding, including accrued interest, and approximately \$38.3 million of funds, including accrued interest, remaining in escrow under the Merger Agreement. As these amounts are subject to various indemnification claims and other offsets, the ultimate value of our current and former executive officers' (or their related family trusts') interests in these amounts will not be known until all such claims and other offsets are resolved.

#### Other Relationships

Jeffrey M. Shrader and Bryan E. Shrader, senior associates at our company, are sons of Dr. Ralph Shrader, our Chairman of the Board, President and Chief Executive Officer. Jeffrey Shrader was hired in July 2009 at a base salary of \$185,000 and earned a bonus of \$14,340 in fiscal 2010. Bryan Shrader earned a base salary of \$158,209, a bonus of \$36,500 and retirement contributions of \$23,187 in fiscal 2010; and received a base salary of \$100,450 in the eight months ended March 31, 2009 and retirement contributions of \$20,664 in the eight months ended March 31, 2009, as well as a bonus of \$30,135 for the eight-month period. They also participate in the Company's other benefit programs on the same basis as other employees at the same level.

Cameron A. Mayer, a senior associate at our company, is the son of Mr. John Mayer, an Executive Vice President of our company. He earned a base salary of \$135,000, a bonus of \$57,500 and received retirement contributions of \$18,848 in fiscal 2010 and received base salary of \$78,333 in the eight months ended March 31, 2009 and retirement contributions of \$14,820 in the eight months ended March 31, 2009, as well as a bonus of \$28,200 for the eight-month period. Mr. Cameron Mayer also participates in the Company's other benefit programs on the same basis as other employees at the same level.

Alberto L. Iannitto, an associate at our company, is the brother-in-law of Mr. Joseph Logue, an Executive Vice President of our company. He earned a base salary of \$112,400 and received retirement contributions of \$11,219 in fiscal 2010. Mr. Iannitto also participates in the Company's other benefit programs on the same basis as other employees at the same level.

Gail S. Harman, an executive assistant at our company, is the sister of Mr. Samuel Strickland, our Chief Financial and Administrative Officer and an Executive Vice President of our company. She earned a base salary of \$105,575 and received retirement contributions of \$12,467 in fiscal 2010. Ms. Harman also participates in the Company's other benefit programs on the same basis as other employees at the same level.

During fiscal 2010 and in the eight months ended March 31, 2009, we recorded expenses of \$690,577 and \$150,511, respectively, for the hiring and use of an aircraft solely for business purposes owned by a company of which our Chairman of the Board, President and Chief Executive Officer, Mr. Shrader, is the sole owner. The payments we made to the affiliate of Mr. Shrader for such use were based on the market rate charged to third parties for use of the aircraft. In addition, we recorded expenses of \$2,528 and \$57,777 in fiscal 2010 and the eight months ended March 31, 2009, respectively, for legal and consulting fees incurred by such affiliate in connection with the acquisition of the aircraft and paid by our company.

## DESCRIPTION OF CERTAIN INDEBTEDNESS

### Senior Credit Facilities

#### Overview

In connection with the Acquisition, Booz Allen Investor, as guarantor, and Booz Allen Hamilton, as borrower, entered into a credit agreement, dated as of July 31, 2008, with respect to the Senior Credit Facilities, with Credit Suisse AG, Cayman Islands Branch, as administrative agent and collateral agent, Credit Suisse AG, Cayman Islands Branch, as issuing lender, and the other financial institutions party thereto from time to time. In connection with the Recapitalization Transaction, on December 11, 2009, the credit agreement with respect to the Senior Credit Facilities was amended and restated in order to, among other things, permit the Recapitalization Transaction, add the Tranche C term facility under the senior term facilities and increase commitments under the senior revolving facility.

The Senior Credit Facilities provide for (1) the senior term facilities, which include: (a) the Tranche A term facility in an original aggregate principal amount of up to \$125.0 million, (b) the Tranche B term facility in an original aggregate principal amount of up to \$585.0 million, and (c) the Tranche C term facility in an original aggregate principal amount of up to \$350.0 million, and (2) the senior revolving facility in an aggregate principal amount of up to \$245.0 million. A portion of the senior revolving facility is available for swingline loans in an amount not to exceed \$80.0 million and letters of credit in an amount not to exceed \$60.0 million.

In addition, Booz Allen Hamilton may, at its option and subject to certain closing conditions including pro forma compliance with financial covenants, increase the Senior Credit Facilities without the consent of any person other than the institutions agreeing to provide all or any portion of such increase, in an amount not to exceed \$100 million. Any such increase may consist of new term loans or new revolving commitments, at Booz Allen Hamilton's option.

As of March 31, 2010, we had \$110.8 million outstanding under the Tranche A term facility, \$566.8 million outstanding under the Tranche B term facility, \$345.8 million outstanding under the Tranche C term facility, and no loans outstanding under the senior revolving facility, and had \$222.4 million of available and unused commitments under the senior revolving facility (excluding the \$21.3 million commitment by the successor entity to Lehman Brothers Commercial Bank). The successor entity to Lehman Brothers Commercial Bank is one of the lenders under the revolving credit facility and as a result of the bankruptcy of its parent company, the availability under the revolving credit facility was effectively reduced by its commitment of \$21.3 million.

#### Maturity; Amortization and Prepayments

The senior revolving facility and the Tranche A term facility mature six years from the closing date of the Senior Credit Facilities. The Tranche B term facility and Tranche C term facility mature seven years from the closing date of the Senior Credit Facilities. The term loans under the Tranche A term facility amortize in quarterly installments varying from 1.25% to 5.00% of the aggregate principal amount thereof funded on the closing date of the Senior Credit Facilities, with the balance due on their maturity date. The term loans under the Tranche B term facility and Tranche C term facility amortize in equal quarterly installments of 0.25% of the aggregate amount thereof funded on the closing date of the Senior Credit Facilities and on the amendment and restatement date of the Senior Credit Facilities, respectively, with the balance due on their maturity date. Prior to the senior revolving facility maturity date, loans under the senior revolving facility may be borrowed, repaid and reborrowed.

Optional prepayments of the Tranche B Term Loans prior to July 31, 2010 are subject to a 1% prepayment premium if the primary purpose of the prepayment is to refinance the Tranche B Term Loans at a lower interest rate. Loans under the Senior Credit Facilities may otherwise be prepaid at the borrower's option without premium or penalty. Subject to certain exceptions, the senior term facilities are subject to mandatory prepayment in amounts equal to (1) the net cash proceeds of (a) certain indebtedness incurred by Booz Allen

Hamilton and certain of its subsidiaries (excluding indebtedness permitted under the Senior Credit Facilities) and (b) certain asset sales or insurance recovery and condemnation events and (2) 50% (which percentage will be reduced upon the achievement of certain consolidated total leverage ratios) of annual excess cash flow (as defined in the Senior Credit Facilities).

#### ***Guaranties; Security***

Booz Allen Investor and the following subsidiaries of Booz Allen Hamilton, ASE, Inc., Booz Allen Hamilton International, Inc. and Booz Allen Transportation Inc. provided an unconditional guaranty of all amounts owing under the Senior Credit Facilities. Subject to certain exceptions, each newly-formed material domestic wholly-owned subsidiary of Booz Allen Hamilton will be required to guaranty all amounts owing under the Senior Credit Facilities. In addition, subject to certain exceptions, obligations of the borrower under the Senior Credit Facilities and the guaranties of the guarantors thereunder are secured by first priority perfected security interests in substantially all of the tangible and intangible assets of the borrower and the guarantors.

#### ***Interest***

At the borrower's election, the interest rate per annum applicable to loans under the Senior Credit Facilities are based on a fluctuating rate of interest measured by reference to either (i) an adjusted London inter-bank offered rate (adjusted for maximum reserves) (LIBOR), plus a borrowing margin, and (ii) an alternate base rate equal to the greater of the prime commercial lending rate and the weighted average of the rates on overnight federal funds transactions plus 0.5% (ABR), plus a borrowing margin. The Senior Credit Facilities provide for certain interest rate floors, so that (i) with respect to the Tranche B term facility, at any time prior to the third anniversary of the closing date of the Senior Credit Facilities, LIBOR loans will bear interest at a rate no less than 3% plus the applicable borrowing margin and ABR loans will bear interest at a rate no less than 4% plus the applicable borrowing margin, and (ii) with respect to the Tranche C term facility, LIBOR loans will bear interest at a rate no less than 2% plus the applicable borrowing margin and ABR loans will bear interest at a rate no less than 3% plus the applicable borrowing margin. The borrowing margin with respect to the Tranche A term facility is 4% or 3.75% with respect to LIBOR loans and 3% or 2.75% for ABR loans, depending upon a consolidated total leverage ratio based pricing grid. The borrowing margin with respect to the Tranche B term facility is 4.5% for LIBOR loans and 3.5% for ABR loans. The borrowing margin with respect to the Tranche C term facility is 4% for LIBOR loans and 3% for ABR loans. The borrowing margin with respect to the Revolving Credit Facility is 4% or 3.75% with respect to LIBOR loans and 3% or 2.75% for ABR loans, depending upon a consolidated total leverage ratio based pricing grid.

#### ***Fees***

The borrower will pay (1) fees on the unused commitments of the lenders under the senior revolving facility equal to 0.50% or 0.375%, depending upon a consolidated total leverage ratio based pricing grid, (2) a letter of credit fee on the outstanding stated amount of letters of credit plus fronting fees for the letter of credit issuing banks and (3) other customary fees in respect of the Senior Credit Facilities.

#### ***Covenants***

The Senior Credit Facilities contain a number of covenants that, among other things, limit or restrict the ability of the borrower and the guarantors to incur additional indebtedness, including guaranties of indebtedness; engage in mergers, acquisitions or dispositions; enter into sale-leaseback transactions; make dividends and other restricted payments; prepay specified indebtedness; engage in certain transactions with affiliates; make other investments; change the nature of its business; incur liens; and amend specified debt agreements. The Senior Credit Facilities also contain a covenant restricting the ability of Booz Allen Investor to take actions other than those enumerated. In addition, under the Senior Credit Facilities, the borrower will

be required to comply with a minimum consolidated net interest coverage ratio and a maximum consolidated total leverage ratio as of the last day of any test period during any period set forth in the following tables:

<b>Period</b>	<b>Consolidated Total Leverage Ratio</b>
March 31, 2010	5.75:1.00
June 30, 2010	5.50:1.00
September 30, 2010	5.50:1.00
December 31, 2010	5.00:1.00
March 31, 2011	5.00:1.00
June 30, 2011	4.50:1.00
September 30, 2011	4.50:1.00
December 31, 2011	4.25:1.00
March 31, 2012	4.25:1.00
June 30, 2012	4.00:1.00
September 30, 2012	4.00:1.00
December 31, 2012 and thereafter	3.75:1.00

<b>Period</b>	<b>Consolidated Net Interest Coverage Ratio</b>
March 31, 2010	1.70:1.00
June 30, 2010	1.80:1.00
September 30, 2010	1.80:1.00
December 31, 2010	1.90:1.00
March 31, 2011	1.90:1.00
June 30, 2011	2.00:1.00
September 30, 2011	2.00:1.00
December 31, 2011	2.10:1.00
March 31, 2012	2.10:1.00
June 30, 2012	2.20:1.00
September 30, 2012	2.20:1.00
December 31, 2012 and thereafter	2.30:1.00

As of March 31, 2010, the borrower was in compliance with such financial ratios and tests.

#### **Events of Default**

The Senior Credit Facilities contain customary events of default, including nonpayment of principal when due; nonpayment of interest, fees or other amounts, in each case after a grace period; material inaccuracy of a representation or warranty when made or deemed made; violation of a covenant (subject, in the case of certain covenants, to a grace period to be agreed upon and notice); cross-default and cross-acceleration to material indebtedness; bankruptcy events; ERISA events subject to a material adverse effect qualifier; material monetary judgments; actual or asserted invalidity of any guarantee or security document; impairment of security interests; and a change of control.

#### **Mezzanine Credit Facility**

##### **Overview**

In connection with the Acquisition, Booz Allen Investor, as guarantor, and Booz Allen Hamilton, as borrower, entered into a mezzanine credit agreement, dated as of July 31, 2008, with respect to the Mezzanine

Credit Facility, with Credit Suisse, as administrative agent, and the other financial institutions party thereto from time to time. In connection with the Recapitalization Transaction, on December 11, 2009, the credit agreement with respect to the Mezzanine Credit Facility was amended to, among other things, permit the Recapitalization Transaction, the incurrence of loans under the Tranche C term facility and the increase in commitments under the senior revolving facility. As of March 31, 2010, we had \$545.2 million of term loans outstanding under the Mezzanine Credit Facility.

***Maturity; Prepayments***

The Mezzanine Credit Facility matures eight years from the closing date of the Mezzanine Credit Facility. The term loans under the Mezzanine Credit Facility will not amortize. Payments of the term loans under the Mezzanine Credit Facility on the maturity date are subject to a 1% premium.

Optional prepayments of the term loans under the Mezzanine Credit Facility are subject to prepayment premiums equal to (A) if such prepayment is made on or after the fourth anniversary of the closing date of the Mezzanine Credit Facility, 1.0%, (B) if such prepayment is made on or after the third anniversary of the closing date of the Mezzanine Credit Facility but prior to the fourth anniversary of the closing date of the Mezzanine Credit Facility, 2.0% and (C) if such prepayment is made on or after the second anniversary of the closing date of the Mezzanine Credit Facility but prior to the third anniversary of the closing date of the Mezzanine Credit Facility, 3.0%.

Upon the occurrence of a change of control, each lender shall have the right to require the borrower to prepay at a price in cash equal to 101% of the principal amount being prepaid plus accrued and unpaid interest. In addition, the borrower will be subject to certain mandatory prepayments after the fifth anniversary of the closing date of the Mezzanine Credit Facility in an amount sufficient so that the loans under the Mezzanine Credit Facility are treated as not having "significant original issue discount" for purposes of the internal revenue code.

***Guarantees***

Booz Allen Investor, ASE, Inc., Booz Allen Hamilton International, Inc., and Booz Allen Transportation Inc. provided an unconditional guaranty of all amounts owing under the Mezzanine Credit Facility. Subject to certain exceptions, each newly-formed material domestic wholly-owned subsidiary of Booz Allen Hamilton will be required to guaranty all amounts owing under the Mezzanine Credit Facility.

***Interest***

The interest rate per annum applicable to the loans under the Mezzanine Credit Facility is 13%. In lieu of cash interest, the borrower may elect to pay interest in excess of 11% per annum in kind, through the addition of such amount to the then-outstanding aggregate principal amount of the loans under the Mezzanine Credit Facility.

***Fees***

The borrower will pay administrative fees in respect of the Mezzanine Credit Facility.

***Covenants***

The Mezzanine Credit Facility contains a number of covenants substantially identical to, but in certain cases less restrictive than, the covenants contained in the Senior Credit Facilities, except that, under the Mezzanine Credit Facility, the borrower will not be required to comply with a consolidated net interest

coverage ratio, and will be required to comply with the following maximum leverage ratio as of the last day of any test period during any period set forth in the following table:

<u>Period</u>	<u>Consolidated Total Leverage Ratio</u>
March 31, 2010	6.90:1.00
June 30, 2010	6.60:1.00
September 30, 2010	6.60:1.00
December 31, 2010	6.00:1.00
March 31, 2011	6.00:1.00
June 30, 2011	5.40:1.00
September 30, 2011	5.40:1.00
December 31, 2011	5.10:1.00
March 31, 2012	5.10:1.00
June 30, 2012	4.80:1.00
September 30, 2012	4.80:1.00
December 31, 2012 and thereafter	4.50:1.00

***Events of Default***

The Mezzanine Credit Facility contains customary events of default, including nonpayment of principal when due; nonpayment of interest, fees or other amounts, in each case after a grace period; material inaccuracy of a representation or warranty when made or deemed made; violation of a covenant (subject, in the case of certain covenants, to a grace period to be agreed upon and notice); cross-acceleration to material indebtedness; bankruptcy events; ERISA events subject to a material adverse effect qualifier; material monetary judgments; and actual or asserted invalidity of any guarantee.

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table indicates information as of June 17, 2010 regarding the beneficial ownership of our common stock by:

- each person, or group of persons, who is known to beneficially own more than 5% of any class of our common stock;
- each of our directors;
- each of the named executive officers; and
- all of our directors and executive officers as a group.

The percentages shown are based on 10,266,161, 305,313, 202,827 and 1,404,881 shares of Class A, Class B, Class C and Class E common stock outstanding as of June 17, 2010 and , , and shares of Class A, Class B, Class C and Class E common stock outstanding after the offering. The rights of the holders of Class A common stock, Class C restricted common stock and Class E special voting common stock are identical, except with respect to dividend and other distributions, vesting and conversion. Class A common stock, Class C restricted common stock and Class E special voting common stock are entitled to one vote per share on all matters voted on by our stockholders. The Class B common stock is non-voting common stock. Upon a transfer of Class B non-voting common stock and Class C restricted common stock that occurs at least 180 days following the completion of this offering, we will issue shares of Class A common stock to the transferee on a one-for-one basis. Class E common stock underlies certain outstanding options. When each option is exercised, we will repurchase the underlying share of Class E common stock and issue a share of Class A common stock to the option holder. See "Description of Capital Stock."

The amounts and percentages owned are reported on the basis of the SEC's regulations governing the determination of beneficial ownership of securities. The SEC's rules generally attribute beneficial ownership of securities to each person who possesses, either solely or shared with others, the voting power or investment power, which includes the power to dispose of those securities. The rules also treat as outstanding all shares of capital stock that a person would receive upon exercise of stock options or warrants held by that person that are immediately exercisable or exercisable within 60 days. These shares are deemed to be outstanding and to be beneficially owned by the person holding those options for the purpose of computing the number of shares beneficially owned and the percentage ownership of that person, but they are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Under these rules, one or more persons may be a deemed beneficial owner of the same securities and a person may be deemed a beneficial owner of securities to which such person has no economic interest. Unless otherwise indicated, the persons or entities identified in this table have sole voting and investment power with respect to all shares shown as beneficially owned by them, subject to applicable community property laws.

Information with respect to beneficial ownership has been furnished by each director, officer, or beneficial owner of more than 5% of the shares of our common stock. Except as otherwise noted below, the address for each person listed on the table is c/o Booz Allen Hamilton Inc., 8283 Greensboro Drive, McLean, Virginia 22102.

As of June 17, 2010, our 112 partners owned total common shares representing 18% of the total voting power in our company. Following completion of this offering and assuming that the underwriters do not exercise their option to purchase additional shares of Class A common stock, these officers will own in the aggregate % of our Class A common stock, and % of the total voting power in our company.

Name and Address	Class of Stock	Shares Beneficially Owned Prior to Offering		Combined Voting Power of Shares of All Classes of Common Stock Beneficially Owned	Shares Beneficially Owned After the Offering Assuming the Underwriters' Option is Not Exercised		Combined Voting Power of Shares of All Classes of Common Stock Beneficially Owned	Shares Beneficially Owned After the Offering Assuming the Underwriters' Option is Exercised in Full		Combined Voting Power of Shares of All Classes of Common Stock Beneficially Owned
		Number of Shares	Percentage of Class	Total Percentage	Number of Shares	Percentage of Class	Total Percentage	Number of Shares	Percentage of Class	Total Percentage
<b>Principal Stockholders</b>										
Explorer Coinvest LLC(1)	Class A	9,566,000	93.19%	80.56%						
<b>Executive Officers and Directors</b>										
Ralph W. Shrader	Class A(2)	141,288	1.37%							
	Class B	—	—							
	Class C	15,668	7.17%							
	Class E(3)	104,039	7.48%							
	Total	260,995		2.20%						
Samuel R. Strickland	Class A(4)	28,902	*							
	Class B	—	—							
	Class C	10,623	4.98%							
	Class E(3)	28,122	2.02%							
	Total	67,647		**						
CG Appleby	Class A(5)	138,288	1.34%							
	Class B	—	—							
	Class C	15,668	7.17%							
	Class E(3)	33,746	2.43%							
	Total	187,702		1.58%						
Joseph E. Garner	Class A(6)	49,611	*							
	Class B	—	—							
	Class C	13,490	6.24%							
	Class E(3)	33,096	2.38%							
	Total	96,197		**						
John M. McConnell	Class A(7)	9,166	*							
	Class B	—	—							
	Class C	—	—							
	Class E	—	—							
	Total	9,166		**						
Daniel F. Akerson(8)	Class A	—	—							
	Class B	—	—							
	Class C	—	—							
	Class E	—	—							
	Total	—	—	—						
Peter Clare(8)	Class A	—	—							
	Class B	—	—							
	Class C	—	—							
	Class E	—	—							
	Total	—	—	—						
Ian Fujiyama(8)	Class A	—	—							
	Class B	—	—							
	Class C	—	—							
	Class E	—	—							
	Total	—	—	—						
Philip A. Odeen	Class A(9)	1,226	*							
	Class B	—	—							
	Class C	—	—							
	Class E	—	—							
	Total	1,226		**						



Name and Address	Class of Stock	Shares Beneficially Owned Prior to Offering		Combined Voting Power of Shares of All Classes of Common Stock Beneficially Owned	Shares Beneficially Owned After the Offering Assuming the Underwriters' Option is Not Exercised		Combined Voting Power of Shares of All Classes of Common Stock Beneficially Owned	Shares Beneficially Owned After the Offering Assuming the Underwriters' Option is Exercised in Full		Combined Voting Power of Shares of All Classes of Common Stock Beneficially Owned
		Number of Shares	Percentage of Class	Total Percentage	Number of Shares	Percentage of Class	Total Percentage	Number of Shares	Percentage of Class	Total Percentage
Charles O. Rossotti	Class A(10)	6,157	*							
	Class B	—	—							
	Class C	—	—							
	Class E	—	—							
	Total	6,157		**						
Executive Officers and Directors as a Group (17 Persons)(11)	Class A	467,982	4.49%							
	Class B	—	—							
	Class C	82,958	29.03%							
	Class E	336,150	25.20%							
	Total	887,090		7.52%						

\* Represents beneficial ownership of less than 1%.

\*\* Represents voting power of less than 1%.

- (1) Carlyle Partners V US, L.P. is the managing member of Explorer Coinvest LLC. TC Group V US, L.P. is the sole general partner of Carlyle Partners V US, L.P. TC Group V US, L.L.C. is the sole general partner of TC Group V US, L.P. TC Group Investment Holdings, L.P. is the managing member of TC Group V US, L.L.C. TCG Holdings II, L.P. is the sole general partner of TC Group Investment Holdings, L.P. DBD Investors V, L.L.C. is the sole general partner of TCG Holdings II, L.P. and, in such capacity, exercises investment discretion and control of the shares beneficially owned by Explorer Coinvest LLC. DBD Investors V, L.L.C. is managed by a three-person managing board, and all board action relating to the voting or disposition of these shares requires approval of a majority of the board. The members of the managing board are William E. Conway, Jr., Daniel A. D'Aniello and David M. Rubenstein, all of whom disclaim beneficial ownership of these shares. Excludes shares of common stock owned by other parties to the current Stockholders Agreement of which Carlyle may be deemed to share beneficial ownership.
- (2) Includes 19,493 shares that Dr. Shrader has the right to acquire through the exercise of options. Dr. Shrader shares investment power and voting power with his wife, Mrs. Janice W. Shrader, for 121,795 shares in the Ralph W. Shrader Revocable Trust. Excludes shares of common stock owned by other parties to the Stockholders Agreement of which Dr. Shrader may be deemed to share beneficial ownership.
- (3) The shares of Class E common stock shown as beneficially owned by each executive officer do not include the number of shares that we will repurchase upon the exercise of each executive officer's Rollover options that are exercisable within 60 days, as follows: (i) Dr. Shrader: 13,895; (ii) Mr. Strickland: 11,579; (iii) Mr. Appleby: 13,895; and (iv) Mr. Garner: 13,627.
- (4) Includes 18,977 shares that Mr. Strickland has the right to acquire through the exercise of options. Mr. Strickland has sole investment power and voting power for 9,925 shares in the Samuel Strickland Revocable Trust.
- (5) Includes 19,493 shares that Mr. Appleby has the right to acquire through the exercise of options.
- (6) Includes 19,225 shares that Mr. Garner has the right to acquire through the exercise of options.
- (7) Includes 9,166 shares that Mr. McConnell has the right to acquire through the exercise of options.

- (8) Does not include shares of common stock held by Explorer Coinvest LLC, an affiliate of Carlyle. Messrs Akerson, Clare and Fujiyama are directors of Booz Allen Holding and Managing Directors of Carlyle. Such persons disclaim beneficial ownership of the shares held by Explorer Coinvest LLC.
- (9) Includes 199 shares that Mr. Odeen has the right to acquire through the exercise of options.
- (10) Includes 199 shares that Mr. Rossotti has the right to acquire through the exercise of options.
- (11) Includes 157,962 shares that the directors and executive officers, in aggregate, have the right to acquire through the exercise of options.

## DESCRIPTION OF CAPITAL STOCK

The following descriptions of our capital stock and provisions of our amended and restated certificate of incorporation and amended and restated bylaws are summaries of their material terms and provisions. Our amended and restated certificate of incorporation and amended and restated bylaws will become effective prior to the completion of this offering.

### Common Stock

Our amended and restated certificate of incorporation authorizes the issuance of \_\_\_\_\_ shares of common stock, which includes:

- shares of Class A common stock, par value \$0.01 per share;
- shares of Class B non-voting common stock, par value \$0.01 per share;
- shares of Class C restricted common stock, par value \$0.01 per share; and
- shares of Class E special voting common stock, par value \$0.03 per share.

The shares of common stock issued and outstanding are as follows:

	<u>As of March 31,</u> <u>2010</u>
Class A common stock	10,292,290
Class B non-voting common stock	235,020
Class C restricted common stock	202,827
Class E special voting common stock	1,334,588
<b>Total shares outstanding</b>	<b>12,064,725</b>

Shares of Class C restricted common stock were issued in connection with Carlyle's investment in our company to certain officers in exchange for stock rights with an exercise date in 2008 under the Booz Allen Hamilton stock plan. Class C Restricted Common Stock is restricted in that a record holder's shares vest as set forth in the Officers' Rollover Stock Plan.

Shares of Class E special voting common stock were issued pursuant to the Officers' Rollover Stock Plan in connection with the exchange of stock and options in Booz Allen Hamilton for stock and options in Booz Allen Holding as part of the Acquisition. The number of shares of Class E special voting stock issued in the exchanges equaled the number of Rollover options to purchase Class A stock also exchanged. For each Rollover option exercised by an individual, a Class E special voting common stock will be repurchased by our company at par value and retired. The Officers' Rollover Stock Plan has a fixed vesting and exercise schedule to comply with Internal Revenue Code Section 409(a). In addition, a small number of shares of Class E special voting common stock that are not related to Rollover options have been issued pursuant to the Stockholders Agreement subsequent to the Acquisition in connection with certain estate planning transfers.

Holders of Class A common stock, Class C restricted common stock and Class E special voting common stock are entitled to one vote for each share on all matters to be voted on by stockholders. Except as otherwise provided by the Delaware General Corporation Law, the holders of the voting common stock, as such, shall vote together as a single class. Except as required by the Delaware General Corporation Law, the holders of Class B non-voting common stock will have no voting rights of any nature whatsoever.

Each share of common stock, except for Class E special voting common stock, is entitled to participate equally, when and if declared by the Board from time to time, in such dividends and other distributions in cash, stock, or property from our company's assets or funds as may become legally available for such purposes subject to any dividend preferences that may be attributable to preferred stock that may be authorized and outstanding. In the event of our liquidation, dissolution or winding up, holders of our common stock, except for Class E special voting common stock (other than to the extent of its par value), will be entitled to receive proportionately any of our assets remaining after the payment of liabilities and subject to

the prior rights of any outstanding preferred stock. Because we are a holding company, our ability to pay dividends is subject to our subsidiaries' ability to pay dividends to us, which is in turn subject to the restrictions set forth in our Credit Facilities.

Under the Amended and Restated Stockholders Agreement, subject to certain exceptions, stockholders cannot transfer shares of our common stock until 180 days after the consummation of this offering without our approval. Following the expiration of the 180-day lock-up period, or such other period as the underwriters deem advisable, upon the transfer of any shares of Class B non-voting common stock or Class C restricted common stock, such shares will be automatically converted into shares of Class A common stock. Shares of our Class A common stock and Class E special voting common stock are not convertible into any other series or class of securities. However, shares of our Class E special voting stock are required to be repurchased by our company once the related options convert into Class A common stock.

The outstanding shares of our common stock are, and the shares of Class A common stock offered by us in this offering, when issued, will be, fully paid and non-assessable. The rights and privileges of holders of our common stock are subject to any series of preferred stock that we may issue in the future.

#### **Preferred Stock**

Our amended and restated certificate of incorporation authorizes us to issue shares of preferred stock, \$0.01 par value per share, the terms and conditions of which are determined by the Board upon issuance. The rights, preferences and privileges of holders of common stock are subject to, and may be adversely affected by, the rights of holders of any shares of preferred stock that our company may designate and issue in the future. At March 31, 2010 and March 31, 2009 there were no shares of preferred stock outstanding. We have no present plans to issue any shares of preferred stock.

#### **Corporate Opportunities**

Our amended and restated certificate of incorporation will provide that Carlyle has no obligation to offer us an opportunity to participate in business opportunities presented to Carlyle or its affiliates, including its respective officers, directors, agents, members, partners and affiliates even if the opportunity is one that we might reasonably have pursued, and that neither Carlyle nor its respective officers, directors, agents, members, partners or affiliates will be liable to us or our stockholders for breach of any duty by reason of any such activities unless, in the case of any person who is a director or officer of our company, such business opportunity is expressly offered to such director or officer in writing solely in his or her capacity as an officer or director of our company. Stockholders will be deemed to have notice of and consented to this provision of our amended and restated certificate of incorporation.

#### **Change of Control Related Provisions of Our Amended and Restated Certificate of Incorporation, Amended and Restated Bylaws and Delaware Law**

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws, and in the Delaware General Corporation Law, may make it difficult, expensive and time-consuming for a third party to pursue a takeover attempt even if a change in control of our company would be beneficial to the interests of our stockholders. Any provision of our amended and restated certificate of incorporation or amended and restated bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock, and could also affect the price that some investors are willing to pay for our common stock. These provisions are intended to:

- enhance the likelihood of continuity and stability in the composition of our Board;
- discourage some types of transactions that may involve an actual or threatened change in control of our company;
- discourage certain tactics that may be used in proxy fights;

- ensure that our Board will have sufficient time to act in what our Board believes to be the best interests of us and our stockholders; and
- encourage persons seeking to acquire control of our company to first consult with our Board to negotiate the terms of any proposed business combination or offer.

#### ***Delaware Takeover Statute***

In our amended and restated certificate of incorporation, we will elect not to be governed by Section 203, as permitted under and pursuant to subsection (b)(3) of Section 203, until the first date that Coinvest and its affiliates no longer beneficially own more than % of the outstanding shares of our Class A common stock. After such date, we will be governed by Section 203. Section 203 of the Delaware General Corporation Law, with specified exceptions, prohibits a Delaware corporation from engaging in any “business combination” with any “interested stockholder” for a period of three years following the time that the stockholder became an interested stockholder unless:

- before that time, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares outstanding those shares owned by persons who are directors and also officers and by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- at or after that time, the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the vote of at least 66<sup>2</sup>/<sub>3</sub>% of the outstanding voting stock that is not owned by the interested stockholder.

Section 203 defines “business combination” to include the following:

- any merger or consolidation of the corporation with the interested stockholder;
- any sale, lease, exchange, mortgage, transfer, pledge or other disposition of 10% or more of the assets of the corporation involving the interested stockholder;
- subject to specified exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- any transaction involving the corporation that has the effect of increasing the proportionate share of the stock of any class or series of the corporation beneficially owned by the interested stockholder; or
- any receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.

Section 203 defines an “interested stockholder” as:

- any entity or person beneficially owning 15% or more of the outstanding voting stock of the corporation; and
- any entity or person affiliated with or controlling or controlled by the entity or person.

Section 203 may make it difficult and expensive for a third party to pursue a takeover attempt that we do not approve, even if a change in control would be beneficial to the interests of our stockholders.

#### ***Unissued Shares of Capital Stock***

We are issuing shares of our authorized Class A common stock in this offering. The remaining shares of authorized and unissued Class A common stock will be available for future issuance without additional stockholder approval. While the additional shares are not designed to deter or prevent a change of

control, under some circumstances we could use the additional shares to create voting impediments or to frustrate persons seeking to effect a takeover or otherwise gain control by, for example, issuing those shares in private placements to purchasers who might side with our Board in opposing a hostile takeover bid.

In addition, our amended and restated certificate of incorporation will provide our Board with the authority, without any further vote or action by our stockholders, to designate and issue one or more series of preferred stock at their sole discretion and to fix the number of shares and the preferences, limitations and relative rights of the shares constituting any series. This provision makes it possible for our Board to issue preferred stock with super voting, special approval, dividend or other rights or preferences which could impede any attempt to acquire us. These and other provisions may have the effect of deferring, delaying or discouraging hostile takeovers or changes in control or management of our company, discouraging bids for the Class A common stock at a premium over the market price of the common stock and may adversely affect the market price of, and the voting and other rights of the holder of, Class A common stock.

#### ***Classified Board; Vacancies and Removal of Directors***

Our amended and restated certificate of incorporation and amended and restated bylaws will provide that our Board will be divided into three classes whose members will serve three-year terms expiring in successive years. Any effort to obtain control of our Board by causing the election of a majority of the Board may require more time than would be required without such a staggered election structure.

Our amended and restated certificate of incorporation and amended and restated bylaws will provide that directors may be removed with or without cause at any time upon the affirmative vote of holders of at least a majority of the votes to which all the stockholders would be entitled to cast until a "group," as defined under Section 13(d)(3) of the Exchange Act, no longer beneficially owns more than 50% of the outstanding shares of our voting common stock. After such time, directors may only be removed from office for cause upon the affirmative vote of holders of at least a majority of the votes which all the stockholders would be entitled to cast. Our amended and restated certificate of incorporation and amended and restated bylaws will provide that vacancies in our Board may be filled only by our Board. Any director elected to fill a vacancy will hold office for the remainder of the full term of the class of directors in which the vacancy occurred (including a vacancy created by increasing the size of the Board) and until such director's successor shall have been duly elected and qualified. No decrease in the number of directors will shorten the term of any incumbent director. The number of directors shall be fixed and modified, but not reduced to less than three, from time to time by resolution of our Board.

These provisions may have the effect of slowing or impeding a third party from initiating a proxy contest, making a tender offer or otherwise attempting a change in the membership of our Board that would effect a change of control.

#### ***Advance Notice Provisions for Stockholder Nominations of Directors and Stockholder Proposals***

Our amended and restated bylaws will establish an advance notice procedure for stockholders to make nominations of candidates for election as director or to bring other business before an annual meeting of our stockholders. This procedure provides that only persons who are nominated by the Board, a committee appointed by the Board, or by a stockholder who has given timely written notice to our secretary prior to the meeting, will be eligible for election as directors, and only business that has been brought before an annual meeting by the Board, any committee appointed by the Board, or by a stockholder who has given timely written notice to our secretary prior to the meeting, may be conducted. Under the procedure, to be timely, notice must be received by the secretary at our principal executive offices not less than 90 days nor more than 120 days prior to the first anniversary date of the annual meeting of the preceding year. In addition, a stockholder's notice proposing to nominate a person for election as director must contain specific information about the nominating stockholder and the proposed nominee, and a stockholder's notice relating to the conduct of business other than the nomination of directors must contain specific information about the business and the proposing stockholder.

Requiring advance notice of nominations by stockholders allows our Board an opportunity to consider the qualifications of the proposed nominees and also provides a more orderly procedure for conducting annual meetings of stockholders. It also provides the Board with the opportunity to inform stockholders of proposed business prior to the meeting, so that stockholders can better decide whether to attend the meeting or to grant a proxy regarding the disposition of the business. These provisions may also have the effect of precluding a contest for the election of directors or the consideration of stockholder proposals and of discouraging or deterring a third party from conducting a solicitation of proxies to elect its own slate of directors or to approve its own proposal without regard to whether consideration of the nominees or proposals might be harmful or beneficial to us or our stockholders.

***Calling Special Stockholder Meetings; Stockholder Action by Written Consent***

Our amended and restated certificate of incorporation and amended and restated bylaws will provide that a special meeting of stockholders may only be called by our Board. Our amended and restated bylaws will allow for stockholder actions by written consent until no “group,” as defined under Section 13(d)(3) of the Exchange Act, owns more than 50% of the outstanding shares of our voting common stock. After such time, any action taken by the stockholders must be effected at a duly called annual or special meeting, which may be called only by the Board.

These provisions make it procedurally more difficult for a stockholder to take action without a meeting and therefore may reduce the likelihood that a stockholder will seek to take independent action with respect to matters that are not supported by management.

***Limitation of Liability of Directors; Indemnification of Directors and Officers***

Our amended and restated certificate of incorporation will contain provisions permitted under Delaware General Corporation Law relating to the liability of directors. These provisions eliminate a director’s personal liability for monetary damages resulting from a breach of fiduciary duty, except in circumstances involving:

- any breach of the director’s duty of loyalty;
- acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law;
- under Section 174 of the Delaware General Corporation Law (unlawful dividends); or
- any transaction from which the director derives an improper personal benefit.

The principal effect of the limitation on liability provision is that a stockholder will be unable to prosecute an action for monetary damages against a director unless the stockholder can demonstrate a basis for liability for which indemnification is not available under the Delaware General Corporation Law. These provisions, however, should not limit or eliminate our rights or any stockholder’s rights to seek non-monetary relief, such as an injunction or rescission, in the event of a breach of director’s fiduciary duty. These provisions will not alter a director’s liability under federal securities laws. The inclusion of this provision in our certificate of incorporation may discourage or deter stockholders or management from bringing a lawsuit against directors for a breach of their fiduciary duties, even though such an action, if successful, might otherwise have benefited us and our stockholders.

Our amended and restated bylaws will require us to indemnify and advance expenses to our directors and officers to the fullest extent not prohibited by the Delaware General Corporation Law and other applicable law, except in the case of a proceeding instituted by the director without the approval of our Board. Our amended and restated bylaws will provide that we are required to indemnify our directors and officers, to the fullest extent permitted by law, for all judgments, fines, settlements, legal fees and other expenses incurred in connection with pending or threatened legal proceedings because of the director’s or officer’s positions with us or another entity that the director or officer serves at our request, subject to various conditions, and to advance funds to our directors and officers to enable them to defend against such proceedings. To receive indemnification, the director or officer must have been successful in the legal proceeding or have acted in

good faith and in what was reasonably believed to be a lawful manner in our best interest and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful.

Prior to the completion of this offering, we expect to enter into an indemnification agreement with each of our directors and certain of our officers. The indemnification agreement will provide our directors and certain of our officers with contractual rights to the indemnification and expense advancement rights provided under our bylaws, as well as contractual rights to additional indemnification as provided in the indemnification agreement.

***Supermajority Voting Requirements for Amendment of Certain Provisions of Our Amended and Restated Bylaws***

Our amended and restated bylaws will provide that our bylaws may be amended, altered or repealed at any regular or special meeting of the stockholders only if the amendment is approved by the vote of holders of at least two-thirds of the shares then entitled to vote at a general election of directors. In addition, amendments may be instituted by resolutions adopted by a majority of the Board at any special or regular meeting of the Board. These provisions make it more difficult for stockholders to remove or amend any provisions that may have an anti-takeover effect.

**Transfer Agent and Registrar**

will serve as transfer agent and registrar for our Class A common stock.



## SHARES OF COMMON STOCK ELIGIBLE FOR FUTURE SALE

Immediately prior to this offering, there was no public market for our common stock. Sales of substantial amounts of our common stock in the public market could adversely affect prevailing market prices of our common stock. Furthermore, some shares of our common stock will not be available for sale for a certain period of time after this offering because they are subject to contractual and legal restrictions on resale some of which are described below. Sales of substantial amounts of common stock in the public market after these restrictions lapse, or the perception that these sales could occur, could adversely affect the prevailing market price and our ability to raise equity capital in the future.

### Sale of Restricted Securities

After this offering, \_\_\_\_\_ shares of our Class A common stock will be outstanding. Of these shares, all of the shares sold in this offering will be freely tradable without restriction under the Securities Act, unless purchased by our “affiliates,” as that term is defined in Rule 144 under the Securities Act. The remaining \_\_\_\_\_ shares of our common stock that will be outstanding after this offering are “restricted securities” within the meaning of Rule 144 under the Securities Act. Restricted securities may be sold in the public market only if they are registered under the Securities Act or are sold pursuant to an exemption from registration under Rule 144 or Rule 701 under the Securities Act, which are summarized below. Subject to the lock-up agreements described below, shares held by our affiliates that are not restricted securities or that have been owned for more than one year may be sold subject to compliance with Rule 144 of the Securities Act without regard to the prescribed one-year holding period under Rule 144.

### Lock-Up Agreements

We, our directors and our executive officers have agreed that, subject to specified exceptions, without the prior written consent of Morgan Stanley & Co. Incorporated and Barclays Capital Inc., on behalf of the underwriters, we will not, during the period beginning on the date of this prospectus and ending 180 days thereafter:

- offer, pledge, sell, announce the intention to sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of our common stock or any securities convertible into or exercisable or exchangeable for our common stock;
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of our common stock; or
- make any demand for or exercise any right with respect to, the registration of any shares of our common stock or any security convertible into or exercisable or exchangeable for our common stock;

whether any such transaction described above is to be settled by delivery of Class A common stock or such other securities, in cash or otherwise.

The 180-day restricted period described in the preceding paragraph will be extended if:

- during the last 17 days of the 180-day restricted period we issue an earnings release, or material news or a material event relating to us occurs; or
- prior to the expiration of the 180-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 180-day restricted period,

in which case the restrictions described in this paragraph will continue to apply until the expiration of the 180-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

Additionally, under the Amended and Restated Stockholders Agreement, holders of our common stock who have not signed contractual lock-up agreements with representatives of the underwriters have agreed with us not to transfer shares of our common stock until 180 days after the consummation of this offering without our approval. In turn, we have agreed not to release any of our stockholders from these lock-up agreements prior to the expiration of the 180-day period without the consent of Morgan Stanley & Co. Incorporated and

Barclays Capital Inc. We have also agreed with the underwriters of this offering that we will extend the 180-day lock-up period if, as permitted by the Amended and Restated Stockholders Agreement:

- during the last 17 days of the 180-day restricted period we issue an earnings release, or material news or a material event relating to us occurs; or
- prior to the expiration of the 180-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 180-day restricted period, in which case these restrictions will continue to apply until the expiration of the 180-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

There are no agreements between the underwriters and any of our stockholders or affiliates releasing them from these lock-up agreements prior to the expiration of the 180-day period. Following the lock-up periods, we estimate that approximately        shares of our Class A common stock that are restricted securities or are held by our affiliates as of the date of this prospectus will be eligible for sale in the public market in compliance with Rule 144 or Rule 701 under the Securities Act.

#### **Registration Rights**

Stockholders currently have the right to require us to register shares of Class A common stock for resale in some circumstances. See “Certain Relationships and Related Party Transactions — Related Person Transactions — Stockholders Agreement.”

#### **Rule 144**

Common stock eligible for sale under Rule 144 may be sold immediately upon the completion of this offering. In general, under Rule 144, a person may sell shares of common stock acquired from us immediately upon completion of this offering, without regard to manner of sale, the availability of public information or volume, if:

- the person is not an affiliate of the company and has not been an affiliate of the company at any time during the three months preceding such a sale; and
- the person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than an affiliate.

#### **Rule 701**

Shares of our common stock issued in reliance on Rule 701, such as those shares acquired upon exercise of options granted under our Equity Incentive Plan, are restricted and, subject to the contractual and legal provisions on resale described above, beginning 90 days after the effective date of this prospectus, may be sold by stockholders other than our affiliates, subject only to the manner of sale provisions of Rule 144, and by affiliates under Rule 144 without compliance with its one-year holding requirement. We intend to file a registration statement under the Securities Act covering all shares subject to options outstanding under our Equity Incentive Plan.

#### **Stock Options**

Upon completion of this offering, we intend to file one or more registration statements under the Securities Act to register the shares of Class A common stock to be issued under our Equity Incentive Plan and Officers’ Rollover Stock Option Plan and, as a result, all shares of Class A common stock acquired upon exercise of stock options and other equity-based awards granted under these plans will also be freely tradable under the Securities Act unless purchased by our affiliates. As of       , our Equity Incentive Plan authorized a maximum total of        shares of common stock for issuance, and of such total,        shares of common stock were issued to members of our management and there were stock options outstanding to purchase, subject to vesting, up to an additional        shares of our common stock and our Officers’ Rollover Stock Option Plan authorized a maximum total of        shares of common stock for issuance, and of such total,        shares of common stock were issued to members of our management and there were stock options outstanding to purchase, subject to vesting, up to an additional        shares of our common stock.

## CERTAIN U.S. FEDERAL TAX CONSIDERATIONS FOR NON-U.S. HOLDERS

The following is a discussion of the material U.S. federal income and estate tax considerations relating to the purchase, ownership and disposition of our common stock by Non-U.S. Holders (as defined below) that purchase our common stock pursuant to this offering and hold such common stock as a capital asset. This discussion is based on the Code, U.S. Treasury regulations thereunder, and administrative and judicial interpretations thereof, all as in effect on the date hereof and all of which are subject to change, possibly with retroactive effect, or to different interpretation. This discussion does not address all of the U.S. federal tax considerations that may be relevant to specific Non-U.S. Holders in light of their particular circumstances or to Non-U.S. Holders subject to special treatment under U.S. federal income tax law (such as banks, insurance companies, dealers in securities or other Non-U.S. Holders that mark their securities to market for U.S. federal income tax purposes, foreign governments, international organizations, controlled foreign corporations, passive foreign investment companies, tax-exempt entities, certain former citizens or residents of the United States, or Non-U.S. Holders who hold our common stock as part of a straddle, hedge, conversion or other integrated transaction). This discussion does not address any U.S. state or local or non-U.S. tax considerations or any U.S. federal gift or alternative minimum tax considerations.

As used in this discussion, the term “Non-U.S. Holder” means a beneficial owner of our common stock that is for U.S. federal income tax purposes:

- an individual who is neither a citizen nor a resident of the United States;
- a corporation that is not created or organized in or under the laws of the United States, any state thereof, or the District of Columbia;
- an estate that is not subject to U.S. federal income tax on income from non-U.S. sources which is not effectively connected with the conduct of a trade or business within the United States; or
- a trust unless (i) it is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all of its substantial decisions or (ii) it has in effect a valid election under applicable U.S. Treasury regulations to be treated as a United States person.

If an entity treated as a partnership for U.S. federal income tax purposes invests in our common stock, the U.S. federal income tax considerations relating to such investment will depend in part upon the status and activities of such entity and the particular partner. Any such entity should consult its own tax adviser regarding the U.S. federal tax considerations applicable to it and its partners of the purchase, ownership and disposition of our common stock.

PERSONS CONSIDERING AN INVESTMENT IN OUR COMMON STOCK SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE U.S. FEDERAL, STATE AND LOCAL AND NON-U.S. INCOME, ESTATE AND OTHER TAX CONSIDERATIONS RELATING TO THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES.

### Distributions on Common Stock

Subject to the discussion below under “— Payments to Foreign Financial Institutions and Non-financial Foreign Entities” and “— Information Reporting and Backup Withholding,” if we make a distribution of cash or other property (other than certain *pro rata* distributions of our common stock) in respect of a share of our common stock, the distribution will be treated as a dividend to the extent it is paid from our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). If the amount of a distribution exceeds our current and accumulated earnings and profits, such excess generally will be treated first as a tax-free return of capital to the extent of the Non-U.S. Holder’s tax basis in such share of our common stock, and then as capital gain. Distributions treated as dividends on our common stock that are paid to or for the account of a Non-U.S. Holder generally will be subject to U.S. federal withholding tax at a rate of 30%, or at a lower rate if provided by an applicable tax treaty and the Non-U.S. Holder provides the

documentation (generally, Internal Revenue Service, or the IRS, Form W-8BEN) required to claim benefits under such tax treaty to the applicable withholding agent.

If, however, a dividend is effectively connected with the conduct of a trade or business in the United States by a Non-U.S. Holder, the dividend generally will not be subject to the 30% U.S. federal withholding tax if the Non-U.S. Holder provides the appropriate documentation (generally, IRS Form W-8ECI) to the applicable withholding agent. Instead, the Non-U.S. Holder generally will be subject to U.S. federal income tax in respect of such dividend on a net income basis in substantially the same manner as a U.S. holder (except as provided by an applicable tax treaty). Dividends that are effectively connected with the conduct of a trade or business in the United States by a corporate Non-U.S. Holder may also be subject to a branch profits tax at the rate of 30% (or a lower rate if provided by an applicable tax treaty).

#### **Sale, Exchange or Other Disposition of Common Stock**

Subject to the discussion below under “— Payments to Foreign Financial Institutions and Non-financial Foreign Entities” and “— Information Reporting and Backup Withholding,” a Non-U.S. Holder generally will not be subject to U.S. federal income tax on gain recognized on the sale, exchange or other disposition of our common stock unless:

- we are or have been a “United States real property holding corporation” for U.S. federal income tax purposes at any time during the shorter of (i) the five year period ending on the date of such sale, exchange or disposition and (ii) such Non-U.S. Holder’s holding period with respect to our common stock, and certain other conditions are met;
- such gain is effectively connected with the conduct of a trade or business in the United States by such Non-U.S. Holder, in which event such Non-U.S. Holder generally will be subject to U.S. federal income tax on a net income basis in substantially the same manner as a U.S. holder (except as provided by an applicable tax treaty) and, if it is a corporation, may also be subject to a branch profits tax at the rate of 30% (or a lower rate if provided by an applicable tax treaty); or
- such Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of such sale, exchange or disposition and certain other conditions are met.

Generally, a corporation is a “United States real property holding corporation” if the fair market value of its United States real property interests equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business (all as determined for U.S. federal income tax purposes). We do not believe that we are, and we do not presently anticipate that we will become, a United States real property holding corporation.

#### **Payments to Foreign Financial Institutions and Non-financial Foreign Entities**

Payments of any dividend on, or any gross proceeds from the sale, exchange or other disposition of, our common stock made after December 31, 2012 to a Non-U.S. Holder that is a “foreign financial institution” or a “non-financial foreign entity” (to the extent such dividend or gain from such sale, exchange or disposition is not effectively connected with the conduct of a trade or business in the United States by such Non-U.S. Holder) generally will be subject to the U.S. federal withholding tax at the rate of 30% unless such Non-U.S. Holder complies with certain additional U.S. reporting requirements.

For this purpose, a foreign financial institution includes, among others, a non-U.S. entity that (i) is a bank, (ii) holds, as a substantial portion of its business, financial assets for the account for others or (iii) is engaged primarily in the business of investing, reinvesting or trading in securities, partnership interests, commodities or any interest in securities, partnership interests or commodities. A foreign financial institution generally will be subject to this 30% U.S. federal withholding tax unless it (i) enters into an agreement with the IRS pursuant to which such financial institution agrees (x) to comply with certain information, verification, due diligence, reporting, and other procedures established by the IRS with respect to “United States accounts” (generally financial accounts maintained by a financial institution (as well as non-traded debt or equity interests in such financial institution) held by one or more specified U.S. persons or foreign entities with a

specified level of U.S. ownership) and (y) to withhold on its account holders that fail to comply with reasonable information requests or that are foreign financial institutions that do not enter into such an agreement with the IRS or (ii) is exempted by the IRS.

A non-financial foreign entity generally will be subject to this 30% U.S. federal withholding tax unless such entity provides the applicable withholding agent with either (i) a certification that such entity does not have any substantial U.S. owners or (ii) information regarding the name, address and taxpayer identification number of each substantial U.S. owner of such entity. These reporting requirements generally will not apply to a non-financial foreign entity that is a corporation the stock of which is regularly traded on an established securities market or certain affiliated corporations or to certain other specified types of entities.

Non-U.S. Holders should consult their own tax advisor regarding the application of these withholding and reporting rules.

#### **Information Reporting and Backup Withholding**

Generally, the amount of dividends on our common stock paid to a Non-U.S. Holder and the amount of any tax withheld from such dividends must be reported annually to the IRS and to the Non-U.S. Holder.

The information reporting and backup withholding rules that apply to payments to certain U.S. persons generally will not apply to payments with respect to our common stock to a Non-U.S. Holder if such Non-U.S. Holder certifies under penalties of perjury that it is not a United States person (generally by providing an IRS Form W-8BEN) or otherwise establishes an exemption.

Proceeds from the sale, exchange or other disposition of our common stock by a Non-U.S. Holder effected through a non-U.S. office of a U.S. broker or of a non-U.S. broker with certain specified U.S. connections generally will be subject to information reporting (but not backup withholding) unless such Non-U.S. Holder certifies under penalties of perjury that it is not a United States person (generally by providing an IRS Form W-8BEN) or otherwise establishes an exemption. Proceeds from the sale, exchange or other disposition of our common stock by a Non-U.S. Holder effected through a U.S. office of a broker generally will be subject to information reporting and backup withholding, unless such Non-U.S. Holder certifies under penalties of perjury that it is not a United States person (generally by providing an IRS Form W-8BEN) or otherwise establishes an exemption.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules generally will be allowed as a refund or a credit against a Non-U.S. Holder's U.S. federal income tax liability if the required information is furnished by such Non-U.S. Holder on a timely basis to the IRS.

#### **U.S. Federal Estate Tax**

In the case of an individual Non-U.S. Holder who, for U.S. federal estate tax purposes, is not a citizen or resident of the United States at the time of his or her death, shares of our common stock owned or treated as owned at such time by such individual will be included in his or her gross estate for U.S. federal estate tax purposes and may be subject to U.S. federal estate tax unless an applicable estate tax treaty provides otherwise.

Legislation enacted in 2001 provides for reductions in the U.S. federal estate tax through 2009 and the elimination of the tax entirely for the year 2010. Under the legislation, the estate tax would be fully reinstated, as in effect prior to the reductions, for 2011 and thereafter.

**UNDERWRITING**

Morgan Stanley & Co. Incorporated, Barclays Capital Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Credit Suisse Securities (USA) LLC are acting as joint book-running managers of this offering. Under the terms and subject to the conditions contained in an underwriting agreement dated the date of this prospectus, the underwriters named below have severally agreed to purchase, and we have agreed to sell to them, the number of shares of Class A common stock indicated in the table below:

<u>Underwriters</u>	<u>Number of Shares</u>
Morgan Stanley & Co. Incorporated	
Barclays Capital Inc.	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Credit Suisse Securities (USA) LLC	
Stifel, Nicolaus & Company, Incorporated	
BB&T Capital Markets, a division of Scott & Stringfellow, LLC	
Lazard Capital Markets LLC	
Raymond James & Associates, Inc.	
Total	

The underwriters are offering the shares of Class A common stock subject to their acceptance of the shares from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of Class A common stock offered by this prospectus are subject to the approval of certain legal matters by their counsel and to other conditions. The underwriters are obligated to take and pay for all of the shares of Class A common stock offered by this prospectus if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters' over-allotment option described below. The underwriters initially propose to offer part of the shares of Class A common stock directly to the public at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions, and part of the shares of Class A common stock to certain dealers at a price that represents a concession not in excess of \$ a share under the public offering price. After the initial offering of the shares of Class A common stock, the offering price and other selling terms may from time to time be varied by the representatives.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to an aggregate of additional shares of Class A common stock from us at the public offering price, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the shares of Class A common stock offered by this prospectus. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase approximately the same percentage of the additional shares of Class A common stock as the number listed next to the underwriter's name in the preceding table bears to the total number of shares of Class A common stock listed next to the names of all underwriters in the preceding table. If the underwriters' over-allotment option is exercised in full, the total price to the public would be \$ , the total underwriters' discounts and commissions paid by us would be \$ and the total proceeds to us would be \$ .

The following table shows the per share and total underwriting discounts and commissions that we are to pay to the underwriters in connection with this offering. These amounts are shown assuming both no exercise and full exercise of the underwriters' over-allotment option.

	Paid by Us		Total	
	No Exercise	Full Exercise	No Exercise	Full Exercise
Per Share	\$	\$	\$	\$
Total	\$	\$	\$	\$

In addition, we estimate that the expenses of this offering other than underwriting discounts and commissions payable by us will be approximately \$ million.

The underwriters have informed us that they do not intend sales to discretionary accounts to exceed 5% of the total number of shares of Class A common stock offered by them.

We, our directors and our executive officers have agreed that, subject to specified exceptions, without the prior written consent of Morgan Stanley & Co. Incorporated and Barclays Capital Inc., on behalf of the underwriters, we will not, during the period beginning on the date of this prospectus and ending 180 days thereafter:

- offer, pledge, sell, announce the intention to sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of our common stock or any securities convertible into or exercisable or exchangeable for our common stock;
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of our common stock; or
- make any demand for or exercise any right with respect to, the registration of any shares of our common stock or any security convertible into or exercisable or exchangeable for our common stock;

whether any such transaction described above is to be settled by delivery of Class A common stock or such other securities, in cash or otherwise.

The 180-day restricted period described in the preceding paragraph will be extended if:

- during the last 17 days of the 180-day restricted period we issue an earnings release, or material news or a material event relating to us occurs; or
- prior to the expiration of the 180-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 180-day restricted period,

in which case the restrictions described in this paragraph will continue to apply until the expiration of the 180-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

Additionally, under the Amended and Restated Stockholders Agreement, holders of our common stock who have not signed contractual lock-up agreements with representatives of the underwriters have agreed with us not to transfer shares of our common stock until 180 days after the consummation of this offering without our approval. In turn, we have agreed not to release any of our stockholders from these lock-up agreements prior to the expiration of the 180-day period without the consent of Morgan Stanley & Co. Incorporated and Barclays Capital Inc. We have also agreed with the underwriters of this offering that we will extend the 180-day lock-up period if, as permitted by the Amended and Restated Stockholders Agreement:

- during the last 17 days of the 180-day restricted period we issue an earnings release, or material news or a material event relating to us occurs; or
- prior to the expiration of the 180-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 180-day restricted period, in which

case these restrictions will continue to apply until the expiration of the 180-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

The restrictions described in the preceding paragraphs do not apply to:

- the sale by us of shares to the underwriters in connection with the offering;
- transactions by any person other than us relating to shares of Class A common stock or other securities convertible or exchangeable into Class A common stock acquired in open market transactions after the completion of the offering of the shares, provided that no filing under Section 16(a) of the Exchange Act, reporting a reduction in beneficial ownership of shares of Class A common stock, shall be required or shall be voluntarily made during the 180-day restricted period; or
- the transfer of shares of Class A common stock or any security convertible or exchangeable into shares of Class A common stock as a bona fide gift, as a distribution to general or limited partners, stockholders or members of our stockholders, or by will or intestate succession to a member of the immediate family of our stockholders.

With respect to the last bullet, it shall be a condition to the transfer or distribution that the transferee provide prior written notice of such transfer or distribution to Morgan Stanley & Co. Incorporated and Barclays Capital Inc., execute a copy of the lock-up agreement, that no filing by any donee or transferee with the SEC shall be required or shall be made voluntarily in connection with such transfer or distribution and no such transfer or distribution may include a disposition for value.

In order to facilitate this offering of Class A common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the Class A common stock. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the underwriters under the over-allotment option. The underwriters can close out a covered short sale by exercising the over-allotment option or by purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares compared to the price available under the over-allotment option. The underwriters may also sell shares in excess of the over-allotment option, creating a naked short position. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the Class A common stock in the open market after pricing that could adversely affect investors who purchase in this offering. In addition, to stabilize the price of the Class A common stock, the underwriters may bid for and purchase shares of Class A common stock in the open market. Finally, the underwriting syndicate may reclaim selling concessions allowed to an underwriter or a dealer for distributing the Class A common stock in the offering, if the syndicate repurchases previously distributed Class A common stock to cover syndicate short positions or to stabilize the price of the Class A common stock. These activities may raise or maintain the market price of the Class A common stock above independent market levels or prevent or retard a decline in the market price of the Class A common stock. The underwriters are not required to engage in these activities and may end any of these activities at any time.

We will apply to list our Class A common stock on \_\_\_\_\_ under the symbol "BAH."

We and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities arising out of or based upon material misstatements or omissions.

Prior to this offering, there has been no public market for the shares of Class A common stock. The initial public offering price will be determined by negotiations between us and the representatives of the underwriters. Among the factors to be considered in determining the initial public offering price will be our future prospects and those of our industry in general; sales, earnings and other financial operating information in recent periods; and the price-earnings ratios, price-sales ratios and market prices of securities and certain financial and operating information of companies engaged in activities similar to ours. The estimated initial public offering price range set forth on the cover page of this preliminary prospectus is subject to change as a



result of market conditions and other factors. An active trading market for the shares may not develop, and it is possible that after the offering the shares will not trade in the market above their initial offering price. A prospectus in electronic format may be made available on the websites maintained by one or more of the underwriters, and one or more of the underwriters may distribute prospectuses electronically. The underwriters may agree to allocate a number of shares to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the underwriters that make Internet distributions on the same basis as other allocations.

#### **Relationships**

The underwriters or their affiliates may engage in transactions with, and may perform and have, from time to time, performed investment banking and advisory services for us in the ordinary course of their business and for which they have received or would receive customary fees and expenses. For example, affiliates of Credit Suisse Securities (USA) LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. Incorporated and Barclays Capital Inc. are acting as lenders and, in some instances, agents under the Senior Credit Facilities. Specifically, affiliates of Credit Suisse Securities (USA) LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Barclays Capital Inc. are lenders under the term loan facilities of the Senior Credit Facilities and affiliates of Credit Suisse Securities (USA) LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Barclays Capital Inc. and Morgan Stanley & Co. Incorporated are lenders under the revolving facility portion of the Senior Credit Facilities. Affiliates of Credit Suisse Securities (USA) LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated are acting as agents and, in the case of Credit Suisse Securities (USA) LLC, a lender under the Mezzanine Credit Facility. For a description of these facilities, see "Description of Certain Indebtedness."

Charles O. Rossotti, a member of our board of directors, also serves as a director of Bank of America Corporation, the parent company of Merrill Lynch, Pierce, Fenner & Smith Incorporated, an underwriter of this offering and a member of the Financial Industry Regulatory Authority, or FINRA.

Lazard Frères and Co. LLC referred this transaction to Lazard Capital Markets LLC and will receive a referral fee from Lazard Capital Markets LLC in connection therewith.

#### **Conflicts of Interest**

The net proceeds of this offering will be used to retire a portion of the Mezzanine Credit Facility under which Credit Suisse AG, Cayman Islands Branch, an affiliate of Credit Suisse Securities (USA) LLC, is a lender. As a result, Credit Suisse Securities (USA) LLC is deemed to have a "conflict of interest" under NASD Conduct Rule 2720 of FINRA because its affiliate will receive at least 5% of the net proceeds of this offering. This offering will be conducted in compliance with the requirements of such rule.

**LEGAL MATTERS**

The legal validity of the Class A common stock offered in this offering will be passed upon for us by Debevoise & Plimpton LLP, New York, New York. Various legal matters relating to this offering will be passed upon for the underwriters by Latham & Watkins LLP, Washington, District of Columbia.

#### EXPERTS

The consolidated financial statements of Booz Allen Hamilton Holding Corporation at March 31, 2010 and 2009, and for the year ended March 31, 2010 and for the eight months ended March 31, 2009, as well as the consolidated statements of operations of Booz Allen Hamilton, Inc. for the four months ended July 31, 2008 and the year ended March 31, 2008, appearing in this prospectus and registration statement have been audited by Ernst & Young LLP, an independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

Prior to Ernst & Young LLP being engaged to provide audit services to the Predecessor, the Predecessor engaged foreign affiliates of Ernst & Young LLP to provide certain legal and tax services at two insignificant foreign subsidiaries that were subsequently spun off with the commercial and international business. These legal and tax services were consistent with the independence requirements of the American Institute of Certified Public Accountants and no public offering was contemplated by the Predecessor while the services were being provided. In connection with the filing of this prospectus and registration statement, the independence rules of the SEC apply to all periods for which audited consolidated financial statements are included in this prospectus and registration statement. Ernst & Young LLP and the Company's Audit Committee previously determined that the foregoing legal and tax services were inconsistent with the SEC's independence rules for the year ended March 31, 2008. However, after analysis of these circumstances, Ernst & Young LLP and the Company's Audit Committee, in consultation with legal counsel, concluded that Ernst & Young LLP's objectivity and impartiality of judgment had not been impaired with respect to Ernst & Young LLP's audit engagement. These circumstances and conclusion were reviewed with the Staff of the Office of the Chief Accountant of the SEC, which did not disagree with such conclusion.

#### WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1, including exhibits, schedules and amendments filed with the registration statement, under the Securities Act with respect to the shares of Class A common stock being offered. This prospectus does not contain all of the information described in the registration statement and the related exhibits and schedules, portions of which have been omitted as permitted by the rules and regulations of the SEC. For further information with respect to us and the Class A common stock being offered, reference is made to the registration statement and the related exhibits and schedules. With respect to statements contained in this prospectus regarding the contents of any contract or any other document, reference is made to the copy of the contract or other document filed as an exhibit to the registration statement. A copy of the registration statement and the related exhibits, schedules and amendments may be inspected without charge at the public reference facilities maintained by the SEC in Washington D.C. at 100 F Street, N.E., Room 1580, Washington, D.C. 20549, and copies of all or any part of the registration statement may be obtained from these offices upon the payment of the fees prescribed by the SEC. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. The SEC maintains a website that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. The address of the site is <http://www.sec.gov>.

Upon the completion of this offering, Booz Allen Holding will become subject to the information and periodic reporting requirements of the Exchange Act and, accordingly, will file annual reports containing financial statements audited by an independent public accounting company, quarterly reports containing unaudited financial statements, current reports, proxy statements and other information with the SEC. You will be able to inspect and copy these reports, proxy statements and other information at the public reference facilities maintained by the SEC at the address noted above. You will also be able to obtain copies of this material from the Public Reference Room of the SEC as described above, or inspect them without charge at the SEC's website. Upon completion of this offering, you will also be able to access, free of charge, our reports filed with the SEC (for example, our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K and any amendments to those forms) through the "Investors" portion of our Internet website (<http://www.boozallen.com>). Reports filed with or furnished to the SEC will be available as soon as reasonably practicable after they are filed with or furnished to the SEC. Our website is included in this prospectus as an inactive textual reference only. The information found on our website is not part of this prospectus or any report filed with or furnished to the SEC. We intend to provide our stockholders with annual reports containing financial statements audited by an independent accounting company.

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Board of Directors and Shareholders of  
Booz Allen Hamilton Holding Corporation

We have audited the accompanying consolidated balance sheets of Booz Allen Hamilton Holding Corporation (the Company) as of March 31, 2009 and 2010 and the related consolidated statements of operations, stockholders' equity and cash flows for the eight-month period ended March 31, 2009 and the year ended March 31, 2010. We have also audited the consolidated statements of operations, stockholders' equity and cash flows for the year ended March 31, 2008 and the four month period ended July 31, 2008 of Booz Allen Hamilton, Inc. (Predecessor). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Booz Allen Hamilton Holding Corporation at March 31, 2009 and 2010, and the consolidated results of its operations and its cash flows for the eight months ended March 31, 2009 and the year ended March 31, 2010 in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the Predecessor financial statements referred to above present fairly, in all material respects, the consolidated results of operations and cash flows of Booz Allen Hamilton, Inc. for the year ended March 31, 2008 and the four month period ended July 31, 2008 in conformity with U.S. generally accepted accounting principles.

As discussed in Note 2 to the financial statements, the Company and the Predecessor changed their method of revenue recognition.

/s/ Ernst & Young LLP  
McLean, Virginia  
June 18, 2010

**BOOZ ALLEN HAMILTON HOLDING CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**

	March 31,	
	2009	2010
	(As adjusted) (In thousands, except share and per share data)	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 420,902	\$ 307,835
Accounts receivable, net of allowance	925,925	1,018,311
Prepaid expenses	32,696	32,546
Other current assets	53,370	11,476
Total current assets	<u>1,432,893</u>	<u>1,370,168</u>
Property and equipment, net	142,543	136,648
Accounts receivable	13,051	17,072
Deferred income taxes	99,378	53,204
Intangible assets, net	309,477	268,880
Goodwill	1,141,615	1,163,129
Other long-term assets	43,292	53,122
Total assets	<u>\$ 3,182,249</u>	<u>\$ 3,062,223</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Current portion of long-term debt	\$ 15,225	\$ 21,850
Accounts payable and other accrued expenses	243,831	354,097
Accrued compensation and benefits	344,409	385,145
Deferred revenue	18,186	9,996
Deferred income taxes	21,934	14,832
Total current liabilities	<u>643,585</u>	<u>785,920</u>
Long-term debt, net of current portion	1,220,502	1,546,782
Income tax reserve	99,394	100,178
Deferred payment obligation	108,969	20,028
Postretirement obligation	39,809	50,464
Other long-term liabilities	9,647	49,268
Total liabilities	<u>2,121,906</u>	<u>2,552,640</u>
Commitments and contingencies (Note 20)		
Stockholders' equity:		
Common stock, Class A — \$0.01 par value — authorized, 16,000,000 shares; issued and outstanding, 10,131,687 shares at March 31, 2009 and 10,292,290 shares at March 31, 2010	101	103
Non-voting common stock, Class B — \$0.01 par value — authorized, 16,000,000 shares; issued and outstanding, 235,020 shares at March 31, 2009 and 235,020 shares at March 31, 2010	2	2
Restricted common stock, Class C — \$0.01 par value — authorized, 600,000 shares; issued and outstanding, 202,827 shares at March 31, 2009 and 202,827 shares at March 31, 2010	2	2
Special voting common stock, Class E — \$0.03 par value — authorized, 2,500,000 shares; issued and outstanding, 1,480,288 shares at March 31, 2009 and 1,334,588 shares at March 31, 2010	45	40
Additional paid-in capital	1,098,278	526,618
Accumulated deficit	(38,783)	(13,364)
Accumulated other comprehensive income (loss)	698	(3,818)
Total stockholders' equity	<u>1,060,343</u>	<u>509,583</u>
Total liabilities and stockholders' equity	<u>\$ 3,182,249</u>	<u>\$ 3,062,223</u>

The accompanying notes are an integral part of these Consolidated Financial Statements.

**BOOZ ALLEN HAMILTON HOLDING CORPORATION**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

	Predecessor		The Company	
	Fiscal Year Ended March 31, 2008  (As adjusted)	Four Months Ended July 31, 2008  (As adjusted) (In thousands, except per share data)	Eight Months Ended March 31, 2009  (As adjusted)	Fiscal Year Ended March 31, 2010
Revenue	\$ 3,625,055	\$ 1,409,943	\$ 2,941,275	\$ 5,122,633
Operating costs and expenses:				
Cost of revenue	2,028,848	722,986	1,566,763	2,654,143
Billable expenses	935,459	401,387	756,933	1,361,229
General and administrative expenses	474,188	726,929	505,226	811,944
Depreciation and amortization	33,079	11,930	79,665	95,763
Total operating costs and expenses	<u>3,471,574</u>	<u>1,863,232</u>	<u>2,908,587</u>	<u>4,923,079</u>
Operating income (loss)	153,481	(453,289)	32,688	199,554
Interest income	2,442	734	4,578	1,466
Interest expense	(2,319)	(1,044)	(98,068)	(150,734)
Other expense, net	(1,931)	(54)	(128)	(1,292)
Income (loss) from continuing operations before income taxes	151,673	(453,653)	(60,930)	48,994
Income tax expense (benefit) from continuing operations	62,693	(56,109)	(22,147)	23,575
Income (loss) from continuing operations	88,980	(397,544)	(38,783)	25,419
Loss from discontinued operations, net of tax	(71,106)	(848,371)	—	—
Net income (loss)	<u>\$ 17,874</u>	<u>\$ (1,245,915)</u>	<u>\$ (38,783)</u>	<u>\$ 25,419</u>
Earnings (loss) from continuing operations per common share (Note 3):				
Basic	<u>\$ 50.64</u>	<u>\$ (181.28)</u>	<u>\$ (3.67)</u>	<u>\$ 2.39</u>
Diluted	<u>\$ 43.33</u>	<u>\$ (181.28)</u>	<u>\$ (3.67)</u>	<u>\$ 2.19</u>
Earnings (loss) per common share (Note 3):				
Basic	<u>\$ 10.17</u>	<u>\$ (568.13)</u>	<u>\$ (3.67)</u>	<u>\$ 2.39</u>
Diluted	<u>\$ 8.70</u>	<u>\$ (568.13)</u>	<u>\$ (3.67)</u>	<u>\$ 2.19</u>

The accompanying notes are an integral part of these Consolidated Financial Statements.



**BOOZ ALLEN HAMILTON HOLDING CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Predecessor		The Company	
	Fiscal Year Ended March 31, 2008	Four Months Ended July 31, 2008	Eight Months Ended March 31, 2009	Fiscal Year Ended March 31, 2010
	(As adjusted)	(As adjusted)	(As adjusted)	(As adjusted)
	(In thousands)			
<b>Cash flows from operating activities</b>				
Net income (loss)	\$ 17,874	\$ (1,245,915)	\$ (38,783)	\$ 25,419
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Loss from discontinued operations, net of taxes	71,106	848,371	—	—
Depreciation and amortization	33,079	11,930	79,665	95,763
Amortization of debt issuance costs	—	—	3,106	5,700
Amortization of original issuance discount on debt	—	—	1,480	2,505
Excess tax benefit from the exercise of stock options	—	—	—	(1,915)
Stock-based compensation expense	35,013	511,653	62,059	71,897
Loss on disposition of property and equipment	—	—	166	—
Deferred income taxes	(39,988)	(54,236)	(22,147)	19,837
Changes in assets and liabilities, net of effect of business combination:				
Accounts receivable, net	(181,365)	(19,765)	(33,675)	(92,386)
Income taxes receivable / payable	(35,934)	(70,781)	21,303	(14,429)
Prepaid expenses	(6,236)	(4,717)	(26,030)	150
Other current assets	(1,859)	(327)	(6,491)	15,672
Other long-term assets	2,627	280	—	(3,742)
Accrued compensation and benefits	(7,913)	(44,050)	99,094	33,750
Accounts payable and accrued expenses	72,654	57,054	7,186	110,265
Accrued interest	—	—	10,604	(10,633)
Income tax reserve	73,036	(7,220)	1,177	2,483
Deferred revenue	2,716	(4,036)	10,499	(8,190)
Postretirement obligation	(4,630)	21,793	1,849	6,139
Other long-term liabilities	13,611	(26,582)	9,647	12,189
Net cash provided by operating activities of continuing operations	43,791	(26,548)	180,709	270,484
Net cash provided by (used in) operating activities of discontinued operations	115,650	(160,368)	—	—
Net cash provided by (used in) operating activities	159,441	(186,916)	180,709	270,484
<b>Cash flows from investing activities</b>				
Purchases of property and equipment	(35,179)	(9,314)	(36,835)	(49,271)
Cash paid in merger transaction, net of cash acquired	—	—	(1,623,683)	—
Investment in discontinued operations	—	(153,662)	—	—
Working capital escrow adjustment	—	—	—	38,280
Net cash used in investing activities of continuing operations	(35,179)	(162,976)	(1,660,518)	(10,991)
Net cash (used in) provided by investing activities of discontinued operations	(71,864)	58,323	—	—
Net cash (used in) provided by investing activities	(107,043)	(104,653)	(1,660,518)	(10,991)
<b>Cash flows from financing activities</b>				
Proceeds from issuance of common stock	—	—	956,500	—
Cash dividends paid	—	—	—	(612,401)
Redemption of common stock and Class B common stock	—	(16,422)	—	—
Repayment of debt	(4,761)	—	(251,050)	(16,100)
Proceeds from debt	—	227,534	1,240,300	346,500
Debt issuance costs	—	—	(45,039)	(15,808)
Payment of deferred payment obligation	—	—	—	(78,000)
Excess tax benefits from the exercise of stock options	—	—	—	1,915
Stock option exercises	—	—	—	1,334
Net cash (used in) provided by financing activities of continuing operations	(4,761)	211,112	1,900,711	(372,560)
Net cash (used in) provided by financing activities of discontinued operations	(2,560)	128,712	—	—
Net cash (used in) provided by financing activities	(7,321)	339,824	1,900,711	(372,560)
Net increase (decrease) in cash and cash equivalents of continuing operations	3,851	21,588	420,902	(113,067)
Cash and cash equivalents — beginning of period	3,272	7,123	—	420,902
Cash and cash equivalents — end of period	\$ 7,123	\$ 28,711	\$ 420,902	\$ 307,835
<b>Supplemental disclosures of cash flow information</b>				
Cash paid during the period for:				
Interest	\$ 1,448	\$ 720	\$ 82,879	\$ 126,744
Income taxes	\$ 19,841	\$ 42,336	\$ 34	\$ 5,474

The accompanying notes are an integral part of these Consolidated Financial Statements.

**BOOZ ALLEN HAMILTON HOLDING CORPORATION**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY — PREDECESSOR**

	Predecessor					Total Stockholders' Equity
	Redeemable Common Stock	Stock Subscription Receivable	Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	
	(In thousands, except share data)					
<b>Balance at March 31, 2007</b>	\$ 242,963	\$ —	\$ —	\$ 16,024	\$ (15,800)	\$ 243,187
Revenue recognition — cumulative effect of change in accounting principle	—	—	—	28,881	—	28,881
<b>Balance at March 31, 2007 (as adjusted)</b>	<u>242,963</u>	<u>—</u>	<u>—</u>	<u>44,905</u>	<u>(15,800)</u>	<u>272,068</u>
Net income (as adjusted)	—	—	—	17,874	—	17,874
Issuance of redeemable common stock	42,831	—	—	—	—	42,831
Cash dividends	—	—	—	(217)	—	(217)
Redemption of common stock	(15,543)	—	—	—	—	(15,543)
Stock compensation expenses	17,216	—	—	—	—	17,216
Mark to put value for redeemable shares	178	—	—	(178)	—	—
Change in accounting principle for the adoption of ASC 740-10	—	—	—	—	(10,081)	(10,081)
Decrease in minimum pension liability, net of tax of \$10,500	—	—	—	—	15,800	15,800
Change in accounting principle for the adoption of ASC 715, net of tax of \$17,922	—	—	—	—	(26,883)	(26,883)
<b>Balance at March 31, 2008 (as adjusted)</b>	<u>287,645</u>	<u>—</u>	<u>—</u>	<u>62,384</u>	<u>(36,964)</u>	<u>313,065</u>
Net loss (as adjusted)	—	—	—	(1,245,915)	—	(1,245,915)
Reclassification of liability for share-based payments for shares held over six months	5,479	—	—	—	—	5,479
Dividends declared	—	—	—	(52)	—	(52)
Redemption of redeemable common stock	(16,422)	—	—	—	—	(16,422)
Redemption of common stock marked to redemption value in stock-based compensation	854,494	—	—	—	—	854,494
Redemption of common stock marked to redemption value in equity	180,985	—	—	(180,985)	—	—
Unrealized loss on benefit plan, net of income taxes	—	—	—	—	(846)	(846)
Receivable from shareholders for exercise of stock rights of Booz Allen Hamilton Inc.	—	(87,007)	—	—	—	(87,007)
Distribution of Booz & Company, Inc. common stock to shareholders of Booz Allen Hamilton, Inc.	—	—	—	(134,874)	22,252	(112,622)
<b>Balance at July 31, 2008 (as adjusted)</b>	<u>\$ 1,312,181</u>	<u>\$ (87,007)</u>	<u>\$ —</u>	<u>\$ (1,499,442)</u>	<u>\$ (15,558)</u>	<u>\$ (289,826)</u>

The accompanying notes are an integral part of these Consolidated Financial Statements.

**BOOZ ALLEN HAMILTON HOLDING CORPORATION**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY — THE COMPANY**

	The Company											
	Class A Common Stock		Class B Non-Voting Common Stock		Class C Restricted Common Stock		Class E Special Voting Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount				
	(In thousands, except share data)											
<b>Balance at August 1, 2008</b>	—	\$ —	—	\$ —	—	\$ —	—	\$ —	\$ —	\$ —	\$ —	\$ —
Exchange of rollover equity	564,187	6	235,020	2	202,827	2	1,480,288	45	79,814	—	—	79,869
Issuance of common stock	9,567,500	95	—	—	—	—	—	—	956,405	—	—	956,500
Net loss	—	—	—	—	—	—	—	—	—	(38,783)	—	(38,783)
Actuarial gain related to employee benefits, net of taxes	—	—	—	—	—	—	—	—	—	—	698	698
Comprehensive loss	—	—	—	—	—	—	—	—	—	—	—	(38,085)
Stock compensation expense	—	—	—	—	—	—	—	—	62,059	—	—	62,059
<b>Balance at March 31, 2009</b>	10,131,687	101	235,020	2	202,827	2	1,480,288	45	1,098,278	(38,783)	698	1,060,343
Issuance of common stock	1,907	—	—	—	—	—	—	—	—	—	—	—
Stock options exercised	158,696	2	—	—	—	—	(145,700)	(5)	1,337	—	—	1,334
Recognition of liability related to future stock option exercises (Note 17)	—	—	—	—	—	—	—	—	(34,408)	—	—	(34,408)
Net income	—	—	—	—	—	—	—	—	—	25,419	—	25,419
Actuarial loss related to employee benefits, net of taxes	—	—	—	—	—	—	—	—	—	—	(4,516)	(4,516)
Comprehensive income	—	—	—	—	—	—	—	—	—	—	—	20,903
Stock compensation expense	—	—	—	—	—	—	—	—	71,897	—	—	71,897
Dividends paid (Notes 1 and 17)	—	—	—	—	—	—	—	—	(612,401)	—	—	(612,401)
Excess tax benefits from exercise of stock options	—	—	—	—	—	—	—	—	1,915	—	—	1,915
<b>Balance at March 31, 2010</b>	10,292,290	\$ 103	235,020	\$ 2	202,827	\$ 2	1,334,588	\$ 40	\$ 526,618	\$ (13,364)	\$ (3,818)	\$ 509,583

The accompanying notes are an integral part of these Consolidated Financial Statements.

**BOOZ ALLEN HAMILTON HOLDING CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2010**

**1. OVERVIEW**

***Our Business***

Booz Allen Hamilton Holding Corporation, including its wholly owned subsidiaries (“Holding” or the “Company”), is an affiliate of The Carlyle Group (“Carlyle”) and was incorporated in Delaware in May 2008. The Company and its subsidiaries provide management and technology consulting services primarily to the U.S. government and its agencies in the defense, intelligence, and civil markets. The Company offers clients functional knowledge spanning strategy and organization, analytics, technology and operations, which it combines with specialized expertise in clients’ mission and domain areas to help solve critical problems. The Company reports operating results and financial data in one operating segment. The Company is headquartered in McLean, Virginia, with approximately 23,300 employees.

***Spin-off and Merger Transactions***

On July 31, 2008, pursuant to a merger agreement (the “Merger Agreement”), the then-existing shareholders of Booz Allen Hamilton, Inc. completed the spin-off of the commercial business to the commercial partners. Effective August 1, 2008, Holding acquired the outstanding common stock of Booz Allen Hamilton, Inc., which consisted of the U.S. government consulting business, through the merger of Booz Allen Hamilton, Inc. with a wholly-owned subsidiary of Holding (the “Merger Transaction” or the “Acquisition”). The Company acquired Booz Allen Hamilton, Inc. for total consideration of \$1,828.0 million. As discussed in Note 4, the acquisition consideration was allocated to the acquired net assets, identified intangibles of \$353.8 million, and goodwill of \$1,163.1 million. Prior to the Merger Transaction, Booz Allen Hamilton, Inc. is referred to as the Predecessor for accounting purposes. The Predecessor’s consolidated financial statements have been presented for fiscal 2008 and the four months ended July 31, 2008. The consolidated financial statements of Holding subsequent to the Merger Transaction, which is referred to as the Company, have been presented from August 1, 2008 through March 31, 2009, and for fiscal 2010. From May through July 2008, Holding had no operations. As a result, the Company is presented as commencing on August 1, 2008.

In connection with the Acquisition, the Company issued certain shares of its common stock in exchange for shares of the Predecessor. The Officers’ Rollover Stock Plan (the “Rollover Plan”) was adopted as a mechanism to enable the exchange of a portion of previous equity interests in the Predecessor for equity interests in Holding. Common Stock owned by the Predecessor’s U.S. government consulting partners were exchanged for Class A Common Stock of Holding, while common stock owned by a limited number of the Predecessor’s commercial consulting partners were exchanged for Class B Non-Voting Common Stock of Holding. Fully vested shares of the Predecessor were exchanged for vested shares of the Company, with a fair value of \$79.7 million. This amount was included as a component of the total acquisition consideration. The Company also exchanged restricted shares and options for previously issued and outstanding stock rights of the Predecessor held by the Predecessor’s U.S. government consulting partners. The Predecessor’s commercial consulting partners exercised their previously outstanding stock rights and received cash for the underlying shares surrendered. Based on the vesting terms of the Company’s newly issued Class C Restricted Common Stock and the new options granted under the Rollover Plan, the fair value of the issued awards of \$147.4 million is being recognized as compensation expense by the Company subsequent to the Acquisition, as discussed further in Note 17.

In connection with the Merger Transaction, the Company entered into a senior secured credit agreement (the “Senior Secured Agreement”) and a mezzanine credit agreement (the “Mezzanine Credit Agreement”) for a total amount of \$1,240.3 million. The total debt proceeds received by the Company at Closing were net of debt issuance costs of \$45.0 million and original issue discount on the debt of \$19.7 million. Prior to the Merger Transaction, the Predecessor had an outstanding line of credit of \$245.0 million. The Company paid

**BOOZ ALLEN HAMILTON HOLDING CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

off the Predecessor's line of credit with proceeds from the financing. In addition to the debt used to finance the Company's acquisition of Booz Allen Hamilton, Inc., Carlyle, along with a consortium of other investors, provided \$956.5 million in cash in exchange for equity interests in the Company.

***Recapitalization Transaction and Repricing***

On December 11, 2009, the Company consummated a recapitalization transaction (the "Recapitalization Transaction"), which included amendments of the Senior Secured Agreement to include a new term loan ("Tranche C") with \$350.0 million of principal, and the Mezzanine Credit Agreement primarily to allow for the recapitalization and payment of a special dividend. This special dividend was declared by the Company's Board of Directors on December 7, 2009, to be paid to holders of record as of December 8, 2009. Net proceeds from Tranche C of \$341.3 million less transaction costs of \$13.2 million, along with cash on hand of \$321.9 million, were used to fund a partial payment of the Company's deferred payment obligation ("DPO") in the amount of \$100.4 million, and a dividend payment of \$46.42 per share, or \$497.5 million, which was paid on all issued and outstanding shares of Holding's Class A Common Stock, Class B Non-Voting Common Stock, and Class C Restricted Common Stock. As required by the Officers' Rollover Stock Plan and the Equity Incentive Plan, the exercise price per share of each outstanding option was reduced. Because the reduction in per share value exceeded the exercise price for certain of the options granted under the Officers' Rollover Stock Plan, the exercise price for those options was reduced to the \$0.01 par value of the shares issuable on exercise, and the holders became entitled to receive a cash payment equal to the excess of the reduction in per share value over the reduction in exercise price to the par value. The difference between one cent and the reduced value for shares vested and not yet exercised of approximately \$54.4 million will be paid in cash upon exercise of the options. As of March 31, 2010, the Company reported \$27.4 million in other long-term liabilities and \$7.0 million in accrued compensation and benefits in the consolidated balance sheets for the portion of stock-based compensation recognized as of March 31, 2010 reflective of the options vested with an exercise price of one cent. Transaction fees incurred in connection with the Recapitalization Transaction were approximately \$22.4 million, of which approximately \$15.8 million were deferred financing costs and will be amortized over the lives of the loans. Refer to Note 10 for further discussion of the DPO, Note 11 for further discussion of the amended credit agreements, Note 12 for further discussion of the accounting for deferred financing costs, and Note 17 for further discussion of the December 2009 dividend and associated future cash payments as related to stock options.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, and have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). All intercompany balances and transactions are eliminated in consolidation.

The operating results of the global commercial business that was spun off by the Predecessor effective July 31, 2008 have been presented as discontinued operations in the Predecessor's consolidated financial statements and the related notes included in these financial statements. These operations and cash flows are clearly distinguished from the continuing business, the operations have been disposed of, and there was no continuing involvement in the operations after August 1, 2008.

The Company's fiscal year ends on March 31 and unless otherwise noted, references to fiscal year or fiscal are for fiscal years ended March 31. These financial statements present the financial position of the Company as of March 31, 2009 and 2010, the Company's results of operations for the eight months ended March 31, 2009 and fiscal 2010, and the Predecessor's results of operations for fiscal 2008 and four months ended July 31, 2008.

**BOOZ ALLEN HAMILTON HOLDING CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

***Use of Estimates***

The preparation of financial statements in conformity with 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, and the reported amounts of revenue and expenses during the reporting periods. Areas of the financial statements where estimates may have the most significant effect include allowance for doubtful accounts, contractual and regulatory reserves, lives of tangible and intangible assets, impairment of long-lived and other assets, realization of deferred tax assets, accrued liabilities, revenue recognition, bonus and other incentive compensation, stock-based compensation, provisions for income taxes, and postretirement obligations. Actual results experienced by the Company may differ materially from management's estimates.

***Change in Accounting Principle***

In 2010, the Company and the Predecessor changed their methodology of recognizing revenue for all U.S. government contracts to apply the accounting guidance of Financial Accounting Standards Board ("FASB") Accounting Standards Codification™ ("ASC" or "the Codification") Subtopic 605-35, as directed by ASC Topic 912, which permits revenue recognition on a percentage-of-completion basis. Previously, the Company applied this guidance only to contracts related to the construction or development of tangible assets. For contracts not related to those activities, the Company had applied the general revenue recognition guidance of Staff Accounting Bulletin ("SAB") Topic 13, *Revenue Recognition*. Upon contract completion, both methods yield the same results, but the Company believes that the application of contract accounting under ASC 605-35 to contracts not related to the construction or development of tangible assets is preferable to the application of contract accounting under SAB Topic 13 based on the fact that the percentage-of-completion model utilized under ASC 605-35 is a recognized accounting model, that better reflects the economics of a U.S. government contract during the contract performance period. The only material financial statement impact of the revenue recognition change was the recognition of award fees over the performance period. The Company concluded that this change is appropriate as the award fees earned by the Company are estimable based on historical information and management's monitoring of fees earned and is reflective of the economics of such contracts.

All prior periods presented have been retrospectively adjusted to apply the new method of accounting. The cumulative effect of this change represents the difference between the amount of retained earnings at the beginning of the period of change and the amount of retained earnings that would have been reported at the date if the new accounting principle had been applied retroactively for all prior periods. The cumulative effect of the change in accounting principle on periods prior to those presented of \$28.9 million has been reflected as an adjustment to the opening balance of retained earnings, net of tax, as of April 1, 2007.

**BOOZ ALLEN HAMILTON HOLDING CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

The table below presents the impact of the change in this accounting principle on accounts receivable, net, accounts payable and other accrued expenses, revenue, net earnings (loss), and net earnings (loss) per share as if the change had been in place throughout all periods presented (in thousands, except per share data):

	Predecessor		The Company	
	Fiscal Year Ended March 31, 2008	Four Months Ended July 31, 2008	Eight Months Ended March 31, 2009	Fiscal Year Ended March 31, 2010
<b>Impact of change in application of accounting principle applied retrospectively:</b>				
Accounts receivable, net	\$ 842,593	\$ 876,280	\$ 883,311	\$ 980,095
Impact of change in revenue recognition	55,175	41,253	42,614	38,216
Accounts receivable, net, as adjusted	<u>\$ 897,768</u>	<u>\$ 917,533</u>	<u>\$ 925,925</u>	<u>\$ 1,018,311</u>
Accounts payable and other accrued expenses	\$ 187,096	\$ 244,024	\$ 234,412	\$ 344,678
Impact of change in revenue recognition	9,443	8,813	9,419	9,419
Accounts payable and other accrued expenses, as adjusted	<u>\$ 196,539</u>	<u>\$ 252,837</u>	<u>\$ 243,831</u>	<u>\$ 354,097</u>
Revenue	\$ 3,625,951	\$ 1,423,865	\$ 2,912,610	\$ 5,121,895
Impact of change in revenue recognition	(896)	(13,922)	28,665	738
Revenue, as adjusted	<u>\$ 3,625,055</u>	<u>\$ 1,409,943</u>	<u>\$ 2,941,275</u>	<u>\$ 5,122,633</u>
Net earnings (loss) from continuing operations	\$ 90,175	\$ (389,497)	\$ (55,770)	\$ 24,681
Impact of change in revenue recognition	(1,195)	(8,047)	16,987	738
Net earnings (loss) from continuing operations, as adjusted	<u>\$ 88,980</u>	<u>\$ (397,544)</u>	<u>\$ (38,783)</u>	<u>\$ 25,419</u>
Net earnings (loss)	\$ 19,069	\$ (1,237,868)	\$ (55,770)	\$ 24,681
Impact of change in revenue recognition	(1,195)	(8,047)	16,987	738
Net earnings (loss), as adjusted	<u>\$ 17,874</u>	<u>\$ (1,245,915)</u>	<u>\$ (38,783)</u>	<u>\$ 25,419</u>
<b>Net earnings (loss) from continuing operations per share:</b>				
Basic	\$ 51.32	\$ (177.61)	\$ (5.28)	\$ 2.32
Diluted	<u>\$ 43.92</u>	<u>\$ (177.61)</u>	<u>\$ (5.28)</u>	<u>\$ 2.12</u>
<b>Impact of change in revenue recognition per share:</b>				
Basic	\$ (0.68)	\$ (3.67)	\$ 1.61	\$ 0.07
Diluted	<u>\$ (0.59)</u>	<u>\$ (3.67)</u>	<u>\$ 1.61</u>	<u>\$ 0.07</u>
<b>Net earnings (loss) from continuing operations per share, as adjusted:</b>				
Basic	\$ 50.64	\$ (181.28)	\$ (3.67)	\$ 2.39
Diluted	<u>\$ 43.33</u>	<u>\$ (181.28)</u>	<u>\$ (3.67)</u>	<u>\$ 2.19</u>
<b>Net earnings (loss) per share:</b>				
Basic	\$ 10.85	\$ (564.46)	\$ (5.28)	\$ 2.32
Diluted	<u>\$ 9.29</u>	<u>\$ (564.46)</u>	<u>\$ (5.28)</u>	<u>\$ 2.12</u>
<b>Impact of change in revenue recognition per share:</b>				
Basic	\$ (0.68)	\$ (3.67)	\$ 1.61	\$ 0.07
Diluted	<u>\$ (0.59)</u>	<u>\$ (3.67)</u>	<u>\$ 1.61</u>	<u>\$ 0.07</u>
<b>Net earnings (loss) per share, as adjusted:</b>				
Basic	\$ 10.17	\$ (568.13)	\$ (3.67)	\$ 2.39
Diluted	<u>\$ 8.70</u>	<u>\$ (568.13)</u>	<u>\$ (3.67)</u>	<u>\$ 2.19</u>

**BOOZ ALLEN HAMILTON HOLDING CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

***Revenue Recognition***

The majority of the Company's revenue is derived from services and solutions provided to the U.S. government and its agencies, primarily by the Company's employees and, to a lesser extent, subcontractors. The Company generates its revenue from the following types of contractual arrangements: cost-plus-fee contracts, time-and-materials contracts, and fixed-price contracts.

Revenue on cost-plus-fee contracts is recognized as services are performed, generally based on the allowable costs incurred during the period plus any recognizable earned fee. The Company considers fixed fees under cost-plus-fee contracts to be earned in proportion to the allowable costs incurred in performance of the contract. For cost-plus-fee contracts that include performance-based fee incentives, which are principally award fee arrangements, the Company recognizes income when such fees are probable and estimable. Estimates of the total fee to be earned are made based on contract provisions, prior experience with similar contracts or clients, and management's monitoring of the performance on such contracts. Contract costs, including indirect expenses, are subject to audit by the Defense Contract Audit Agency and, accordingly, are subject to possible cost disallowances.

Revenue for time-and-materials contracts is recognized as services are performed, generally on the basis of contract allowable labor hours worked multiplied by the contract-defined billing rates, plus allowable direct costs and indirect cost burdens associated with materials used in and other direct expenses incurred in connection with the performance of the contract.

Revenue on fixed-price completion contracts is recognized using percentage-of-completion based on actual costs incurred relative to total estimated costs for the contract. These estimated costs are updated during the term of the contract, and may result in revision by the Company of recognized revenue and estimated costs in the period in which they are identified. Profits on fixed-price contracts result from the difference between incurred costs and revenue earned.

Contract accounting requires significant judgment relative to assessing risks, estimating contract revenue and costs, and making assumptions for schedule and technical issues. Due to the size and nature of many of the Company's contracts, developing total revenue and cost at completion requires the use of estimates. Contract costs include material, labor and subcontracting costs, as well as an allocation of allowable indirect costs. Assumptions regarding the length of time to complete the contract also include expected increases in wages and prices for materials. Estimates of total contract revenue and costs are monitored during the term of the contract and are subject to revision as the contract progresses. Anticipated losses on contracts are recognized in the period they are deemed probable and can be reasonably estimated.

The Company's contracts may include the delivery of a combination of one or more of the Company's service offerings. In these situations, the Company determines whether such arrangements with multiple elements should be treated as separate units of accounting, with revenue allocated to each element of the arrangement based on the fair value of each element.

During the course of providing services to its clients, the Company frequently incurs "out-of-pocket" expenses in the course of conducting its normal operations. These expenses often include, but are not limited to, airfare and other travel-related costs such as car rentals and hotel stays, and telecommunications charges. The Company and the customer typically agree that the customer will reimburse the Company for the actual amount of such expenses incurred. The Company recognizes revenue and billable expenses from these transactions on a gross basis.

***Cash and Cash Equivalents***

Cash and cash equivalents include cash on hand and highly liquid investments having an original maturity of three months or less. The Company's investments consist primarily of institutional money market



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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

funds and U.S. Treasury securities. The Company's investments are carried at cost, which approximates fair value. The Company maintains its cash and cash equivalents in bank accounts that, at times, exceed the federally insured limits. The Company has not experienced any losses in such accounts.

***Valuation of Accounts Receivable***

The Company maintains allowances for doubtful accounts against certain billed receivables based upon the latest information regarding whether invoices are ultimately collectible. Assessing the collectability of customer receivables requires management judgment. The Company determines its allowance for doubtful accounts by specifically analyzing individual accounts receivable, historical bad debts, customer credit-worthiness, current economic conditions, and accounts receivable aging trends. Valuation reserves are periodically re-evaluated and adjusted as more information about the ultimate collectability of accounts receivable becomes available. Upon determination that a receivable is uncollectible, the receivable balance and any associated reserve are written off.

***Concentrations of Credit Risk***

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash equivalents and accounts receivable. The Company's cash equivalents are generally invested in U.S. government insured money market funds and Treasury bills. The Company believes that credit risk, with respect to accounts receivable, are limited as they are primarily U.S. government receivables.

As of March 31, 2009, and 2010, the Company had no derivative financial instruments.

***Property and Equipment***

Property and equipment are stated at cost, and the balances are presented net of depreciation. The cost of software purchased or internally developed is capitalized. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Furniture and equipment is depreciated over five to ten years, computer equipment is depreciated over three years, and software purchased or developed for internal use is depreciated over one to three years. Leasehold improvements are amortized over the shorter of the useful life of the asset or the lease term. Maintenance and repairs are charged to expense as incurred.

***Goodwill***

Goodwill is the amount by which the cost of acquired net assets in a business acquisition exceeds the fair value of net identifiable assets on the date of purchase. The Company assesses goodwill for impairment on at least an annual basis on January 1, and whenever impairment indicators are present in events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. The Company defines its reporting unit as its operating segment. The Company considers itself to be a single reporting segment, as discussed in Note 21, and operating unit structure given that the Company is managed and operated as one business. There were no impairment charges for the eight months ended March 31, 2009 or fiscal 2010.

***Intangible Assets***

Intangible assets consist of trade name, contract backlog, and favorable lease terms. Trade name is not amortized, but is tested annually for impairment. Contract backlog is amortized over the expected backlog life based on projected future cash flows of approximately nine years. Favorable lease terms are amortized over the remaining contractual terms of approximately five years.

**BOOZ ALLEN HAMILTON HOLDING CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

***Valuation of Long-Lived Assets***

The Company reviews its long-lived assets, including property and equipment and intangible assets with finite lives, for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be fully recoverable or that the useful lives are no longer appropriate. If the total of the expected undiscounted future net cash flows expected to result from the use and eventual disposition of the asset is less than its carrying amount, a loss is recorded for the amount required to reduce the carrying amount to fair value. There were no impairment charges for the eight months ended March 31, 2009 or fiscal 2010.

***Foreign Currency Transactions***

Foreign currency gains (losses) are reported as a component of other expense, net in the accompanying consolidated statements of operations. For fiscal 2008, four months ended July 31, 2008, eight months ended March 31, 2009, and fiscal 2010, net exchange (losses) gains were approximately \$(529,000), \$(53,000), \$49,000, and \$(105,000), respectively.

***Income Taxes***

Deferred tax assets and liabilities are recorded to recognize the expected future tax benefits or costs of events that have been, or will be, reported in different years for financial statement purposes than for tax purposes. Deferred tax assets and liabilities are computed based on the difference between the financial statement and tax basis of assets and liabilities using enacted tax rates and laws for the years in which these items are expected to reverse. If management determines that a deferred tax asset is not "more likely than not" to be realized, an offsetting valuation allowance is recorded, reducing income and the deferred tax asset in that period. Management records valuation allowances primarily based on an assessment of historical earnings and future taxable income that incorporates prudent, feasible tax-planning strategies. The Company assesses deferred tax assets on an individual jurisdiction basis. The Company reviews tax laws, regulations, and related guidance on an ongoing basis in order to properly record any uncertain tax liabilities.

***Comprehensive Income***

Comprehensive income is the change in equity of a business enterprise during a period from transactions and other events and circumstances from nonowner sources. Comprehensive income is presented in the consolidated statements of stockholders' equity. Accumulated other comprehensive income as of March 31, 2009 and 2010 consisted of unrealized gains (losses) on the Company's defined and postretirement benefit plans.

***Stock-Based Compensation***

Share-based payments to employees are recognized in the consolidated statements of operations based on their grant date fair values with the expense being recognized over the requisite service period. The Company uses the Black-Scholes model to determine the fair value of its awards at the time of the grant.

***Redeemable Common Stock***

Prior to the Merger Transaction, the Predecessor had Redeemable Common Stock. Shares of Redeemable Common Stock issued upon exercise of rights granted prior to April 1, 2006 were marked to the redemption amount at the end of each reporting period with changes recorded in stock-based compensation expense. For shares of Redeemable Common Stock issued upon exercise of rights granted on or after April 1, 2006, the Redeemable Common Stock was marked to the redemption amount through stock-based compensation expense until such shares had been outstanding for six months. After such time, changes in the redemption amount were recorded as a component of stockholders' equity.

**BOOZ ALLEN HAMILTON HOLDING CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

***Defined Benefit Plan and Other Postretirement Benefits***

The Company recognizes the underfunded status of pension and other postretirement benefit plans on the consolidated balance sheets. Gains and losses, prior service costs and credits, and any remaining transition amounts that have not yet been recognized through net periodic benefit cost will be recognized in accumulated other comprehensive income, net of tax effects, until they are amortized as a component of net periodic cost. The measurement date, the date at which the benefit obligation and plan assets are measured, is the Company's fiscal year end.

***Self-Funded Medical Plans***

The Company maintains self-funded medical insurance. Self-funded plans include a health maintenance organization, preferred provider organization, point of service, qualified point of service, and traditional choice. Further, self-funded plans also include prescription drug benefits. The Company records an incurred but unpaid claim liability in the accrued compensation and benefits line of the consolidated balance sheets for self-funded plans based on an external actuarial valuation.

Estimates are calculated as the midpoint of reasonable ranges. Primary data that drives this estimate is based on claims and enrollment data received provided by a third party valuation firm for medical and pharmacy related costs. These reports detail claims paid and incurred through one month prior to the quarter end.

***Deferred Compensation Plan***

The Company accounts for its deferred compensation plan on an accrual basis, in accordance with the terms of the underlying contract. To the extent the terms of the contract attribute all or a portion of the expected future benefit to an individual year of the employee's service, the cost of the benefits are recognized in that year. Therefore, the Company estimates that the cost of any and all future benefits that are expected to be paid as a result of the deferred compensation and expenses the present value of those costs in the year as services are provided.

***Fair Value Measurements***

The accounting standard for fair value measurements defines fair value, establishes a market-based framework or hierarchy for measuring fair value, and expands disclosures about fair value measurements. The standard establishes a three-tier value hierarchy, which prioritizes the inputs used in measuring fair value as follows: observable inputs such as quoted prices in active markets ("Level 1"); inputs other than the quoted prices in active markets that are observable either directly or indirectly ("Level 2"); and observable inputs in which there is little or no market data, which requires the Company to develop its own assumptions ("Level 3").

***New Accounting Pronouncements***

During the fiscal year ended March 31, 2010, the Company adopted the following accounting pronouncements, none of which had a material impact on the Company's present or historical consolidated financial statements:

During June 2009, the FASB approved the Codification as the single source of authoritative nongovernmental U.S. generally accepted accounting principles. The Codification reorganizes thousands of pronouncements into roughly 90 accounting topics and displays the topics using a consistent structure. All existing accounting standard documents are superseded, and all other accounting literature not included in the Codification is considered nonauthoritative. The Codification became effective for interim

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

and annual periods ending after September 15, 2009. The Codification did not have a material impact on the Company's results of operations or financial position.

During December 2007, the FASB issued ASC 805, *Business Combinations*, which the Company adopted effective January 1, 2009. This guidance replaced existing guidance and significantly changed accounting and reporting relative to business combinations in consolidated financial statements, including requirements to recognize acquisition-related transaction costs and post acquisition restructuring costs in the results of operations as incurred. There was not a material impact to the Company's consolidated financial statements upon adoption of this standard. Any future business combinations will be presented in accordance with ASC 805, but the nature and magnitude of the specific effects will depend on the nature, terms and size of the acquisitions. Additionally, ASC 805 changes the accounting for uncertain tax positions that are settled subsequent to adoption, but relate to preacquisition tax contingencies that existed prior to the adoption of ASC 805. To the extent that the Company's established tax contingencies are realized at an amount greater or less than the contingency recorded, this adoption could materially impact the Company's results of operations.

During June 2009, the FASB issued ASC 855, *Subsequent Events*, which the Company adopted effective June 30, 2009. This guidance establishes general standards of accounting for, and disclosures of, events that occur after the balance sheet date but before the financial statements are issued. During February 2010, the FASB amended the evaluation and disclosure requirements for subsequent events for companies that are not required to file with the U.S. Securities and Exchange Commission. The Company adopted the amended subsequent event requirements effective March 31, 2010. There was no material impact to the Company's consolidated financial statements upon adoption of the original or amended standard.

In October 2009, the FASB issued Accounting Standards Updated No. 2009-13, *Multiple-Deliverable Revenue Arrangements*, which amends ASC 605, *Revenue Recognition*. The guidance relates to the determination of when the individual deliverables included in a multiple-element arrangement may be treated as separate units of accounting and modifies the manner in which the transaction consideration is allocated across the individual deliverables, thereby affecting the timing of revenue recognition. The guidance also expands the disclosure requirements for revenue arrangements with multiple deliverables. The guidance will be effective beginning on April 1, 2011, and may be applied retrospectively for all periods presented or prospectively to arrangements entered into or materially modified after the adoption date. Early adoption is permitted provided that the guidance is retroactively applied to the beginning of the year of adoption. The Company is currently assessing the potential effect, if any, on its consolidated financial statements.

### **3. EARNINGS PER SHARE**

The Company computes basic and diluted per share amounts based on net income (loss) for the periods presented. The Company uses the weighted average number of common shares outstanding during the period to calculate basic earnings (loss) per share. Diluted EPS is computed similar to basic EPS, except the weighted average number of shares outstanding is increased to include the dilutive effect of outstanding common stock options and other stock-based awards.

The Company currently has outstanding shares of Class A Common Stock, Class B Non-Voting Common Stock, Class C Restricted Common Stock, and Class E Special Voting Common Stock. Class E shares are not included in the calculation of EPS as these shares represent voting rights only and are not entitled to participate in dividends or other distributions.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

A reconciliation of the income (loss) used to compute basic and diluted EPS for the years noted is as follows (in thousands, except share and per share amounts):

	Predecessor		The Company	
	Fiscal Year Ended March 31, 2008	Four Months Ended July 31, 2008	Eight Months Ended March 31, 2009	Fiscal Year Ended March 31, 2010
Earnings (loss) from continuing operations for basic and diluted computations	\$ 88,980	\$ (397,544)	\$ (38,783)	\$ 25,419
Earnings (loss) for basic and diluted computations	17,874	(1,245,915)	(38,783)	25,419
Weighted-average Class A Common Stock outstanding	1,757,000	2,193,000	10,131,687	10,209,918
Weighted-average Class B Non-Voting Common Stock outstanding	—	—	235,020	235,020
Weighted-average Class C Restricted Common Stock outstanding	—	—	202,827	202,827
Total weighted-average common shares outstanding for basic computations	1,757,000	2,193,000	10,569,534	10,647,765
Dilutive stock options and restricted stock	296,338	—	—	975,073
Average number of common shares outstanding for diluted computations	2,053,338	2,193,000	10,569,534	11,622,838
Earnings (loss) from continuing operations per common share				
Basic	\$ 50.64	\$ (181.28)	\$ (3.67)	\$ 2.39
Diluted	\$ 43.33	\$ (181.28)	\$ (3.67)	\$ 2.19
Earnings (loss) per common share				
Basic	\$ 10.17	\$ (568.13)	\$ (3.67)	\$ 2.39
Diluted	\$ 8.70	\$ (568.13)	\$ (3.67)	\$ 2.19

**4. BUSINESS COMBINATION**

The Company acquired the outstanding common stock of Booz Allen Hamilton, Inc. effective August 1, 2008. The purchase price was \$1,828.0 million. Pursuant to the Merger Agreement, spin-off, indemnification and working capital escrow accounts in the amounts of \$15.0 million, \$25.0 million, and \$50.0 million, respectively, were established for a period of one year from the date of the closing or until all outstanding claims made against the escrow accounts are resolved, whichever is later. As of March 31, 2010, payments in the aggregate amount of \$52.5 million were made out of the escrow accounts, of which \$13.0 million was released to selling shareholders.

In connection with the Merger Transaction, the Company established a DPO of \$158.0 million, of which \$78.0 million was set aside to be paid in full to the selling shareholders. As discussed in Note 10, on December 11, 2009, in connection with the Recapitalization Transaction, \$100.4 million was paid to the

**BOOZ ALLEN HAMILTON HOLDING CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

selling shareholders, of which \$78.0 million was the repayment of that portion of the DPO, with approximately \$22.4 million representing accrued interest. The DPO also was established for additional consideration for the selling shareholders of up to \$80.0 million plus accrued interest, payable by the tenth anniversary of the July 31, 2008 Merger Transaction closing date, and following favorable settlement of any indemnified pre-acquisition contingency claims made against the DPO. As of March 31, 2009 and 2010, \$59.6 million and \$62.4 million, respectively, may be indemnified under the DPO. As the indemnified claims are settled favorably, any amount remaining after settlement will be reflected as an increase in the DPO. An adjustment to the purchase price equal to the DPO adjustment will be recorded as additional consideration to be paid to the selling shareholders. As of March 31, 2009 and 2010, there were no significant settled claims and, accordingly, no adjustments to purchase price. Refer to note 10 for further discussion of the DPO.

As discussed in Note 1, the total purchase price was allocated to net tangible and identifiable intangible assets based on their estimated fair values as of the effective date of the acquisition. In allocating the purchase price, the Company considered, among other factors, its intention for future use of acquired assets, analysis of historical financial performance, and estimates of future performance of contracts. The components of intangible assets associated with the acquisition were contract backlog, favorable lease terms, and trade name, valued at \$160.8 million, \$2.8 million, and \$190.2 million, respectively. Trade name, an indefinite lived intangible, represents the estimated fair value for all trade names and trademarks employed by the Company as of the closing date. Backlog consists of services that the Company is committed to fulfill according to the terms of its contracts and task orders. Favorable lease terms represent the differential between the payment terms of in-place leases and market lease rates. Backlog and favorable lease terms are amortized over nine and five years, respectively.

**Purchase Price Allocation**

The following table represents the purchase price allocation which includes the resolution of certain working capital, tax adjustments and purchase negotiation matters during fiscal 2010 (in thousands):

Current assets	\$ 1,009,589
Property and equipment	141,219
Other noncurrent assets	40,289
Current liabilities	(489,611)
Notes payable, current and long-term	(245,000)
Other long-term liabilities	(145,417)
Net assets acquired	311,069
Definite-lived intangible assets acquired	163,600
Indefinite-lived intangible assets acquired	190,200
Goodwill	1,163,129
Total purchase price	<u>\$ 1,827,998</u>

The following unaudited pro forma combined condensed statement of income sets forth the consolidated results of operations of the Company as if the above described acquisition had occurred at April 1, 2008. The

**BOOZ ALLEN HAMILTON HOLDING CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

unaudited pro forma information does not purport to be indicative of the actual results that would have occurred if the combination had occurred at this earlier date (in millions, except per share amounts):

	Fiscal Year Ended March 31, 2009
Revenue	\$4,351
Net loss	(49)
Loss per common share:	
Basic	\$(4.68)
Diluted	\$(4.68)

**5. GOODWILL AND OTHER INTANGIBLE ASSETS**

*Goodwill*

As of March 31, 2009 and 2010, goodwill was \$1,141.6 million and \$1,163.1 million, respectively. Goodwill, which is associated with the Merger Transaction, was primarily attributed to the employees of the Company, their presence in the marketplace, and the value paid for by companies that operate in the Company's industry (see Note 4). The change in the carrying amount of goodwill is attributable to the resolution of certain working capital and tax adjustments and purchase negotiation matters during fiscal 2010.

The Company performed an annual valuation of indefinite-lived intangible assets including goodwill as of January 1, 2010, noting no impairment. Goodwill was assessed for the Company's one reporting unit utilizing a two-step methodology. The first step requires the Company to estimate the fair value of its reporting unit and compare it to the carrying value. If the carrying value of a reporting unit were to exceed its fair value, the goodwill of that reporting unit would be potentially impaired, and the Company would proceed to step two of the impairment analysis. In step two of the impairment analysis, the Company would measure and record an impairment loss equal to the excess of the carrying value of the reporting unit's goodwill over its implied fair value should such a circumstance arise. The outcome of the first step of the Company's test indicated that there was no potential impairment, and therefore the second step of the test was not required. The trademark was evaluated as an indefinite life intangible asset prior to the testing of goodwill. At January 1, 2010, the fair value of the Company's goodwill and trademark each exceeded their carrying value. There were no additional events or changes that indicated any impairment as of March 31, 2010.

*Other Intangible Assets*

The following tables set forth information for intangible assets (in thousands):

	As of March 31, 2009			As of March 31, 2010		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
<b>Amortized Intangible Assets</b>						
Contract backlog	\$160,800	\$43,613	\$117,187	\$160,800	\$83,405	\$ 77,395
Favorable leases	2,800	710	2,090	2,800	1,515	1,285
Total	\$163,600	\$44,323	\$119,277	\$163,600	\$84,920	\$ 78,680
<b>Unamortized Intangible Assets</b>						
Trade name	\$190,200	\$ —	\$190,200	\$190,200	\$ —	\$190,200
Total	\$353,800	\$44,323	\$309,477	\$353,800	\$84,920	\$268,880

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

As a result of the Merger Transaction, amortization expense for the eight months ended March 31, 2009 and fiscal 2010, was \$44.3 million and \$40.6 million, respectively. There were no intangible assets prior to the Merger Transaction. The following table summarizes the estimated annual amortization expense for the future periods indicated below (in thousands):

<b>For the Fiscal Year Ending March 31,</b>	
2011	\$ 28,645
2012	16,364
2013	12,549
2014	8,450
2015	4,225
Thereafter	8,447
	<u>\$ 78,680</u>

The Company reviews its long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be fully recoverable. If the total of the expected undiscounted future net cash flows is less than the carrying amount of the asset, a loss is recognized for the difference between the fair value and carrying amount of the asset. There were no impairment charges for the eight months ended March 31, 2009 or fiscal 2010.

**6. ACCOUNTS RECEIVABLE**

Accounts receivable, net consisted of the following (in thousands):

	<b>March 31,</b>	
	<b>2009</b>	<b>2010</b>
Accounts receivable — billed	\$ 460,215	\$ 437,256
Accounts receivable — unbilled	467,358	583,182
Allowance for doubtful accounts	(1,648)	(2,127)
Accounts receivable, net, current	925,925	1,018,311
Long-term unbilled receivables related to retainage and holdbacks	13,051	17,072
Total accounts receivable, net	<u>\$ 938,976</u>	<u>\$ 1,035,383</u>

The Company recognized a provision for doubtful accounts of \$7.1 million, \$1.0 million, \$2.1 million, and \$1.4 million for fiscal 2008, four months ended July 31, 2008, eight months ended March 31, 2009, and fiscal 2010, respectively. Long-term unbilled receivables related to retainage, holdbacks, and long-term rate settlements to be billed at contract closeout are included in accounts receivable in the accompanying consolidated balance sheets.



**BOOZ ALLEN HAMILTON HOLDING CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

**7. PROPERTY AND EQUIPMENT**

The components of property and equipment, net were as follows (in thousands):

	March 31,	
	2009	2010
Furniture and equipment	\$ 66,748	\$ 82,759
Computer equipment	34,077	43,824
Software	10,164	20,693
Leasehold improvements	66,883	79,501
Total	<u>177,872</u>	<u>226,777</u>
Less accumulated depreciation and amortization	(35,329)	(90,129)
Property and equipment, net	<u>\$ 142,543</u>	<u>\$ 136,648</u>

Property and equipment, net, includes \$3.1 million and \$12.1 million of internally developed software, net of depreciation as of March 31, 2009 and 2010, respectively.

Depreciation and amortization expense relating to property and equipment for fiscal 2008, four months ended July 31, 2008, eight months ended March 31, 2009, and fiscal 2010, was \$33.1 million, \$11.9 million, \$35.3 million, and \$55.2 million, respectively.

**8. ACCOUNTS PAYABLE AND OTHER ACCRUED EXPENSES**

Accounts payable and other accrued expenses consist of the following (in thousands):

	March 31,	
	2009	2010
Vendor payables	\$ 184,394	\$ 257,418
Accrued expenses	56,774	93,317
Other	2,663	3,362
Total accounts payable and other accrued expenses	<u>\$ 243,831</u>	<u>\$ 354,097</u>

**9. ACCRUED COMPENSATION AND BENEFITS**

Accrued compensation and benefits consist of the following (in thousands):

	March 31,	
	2009	2010
Bonus	\$ 135,566	\$ 146,035
Retirement	74,614	89,200
Vacation	104,249	119,912
Other	29,980	29,998
Total accrued compensation and benefits	<u>\$ 344,409</u>	<u>\$ 385,145</u>

**10. DEFERRED PAYMENT OBLIGATION**

In connection with the Merger Transaction, on July 31, 2008 (the "Closing Date") the Company established a DPO of \$158.0 million, payable by the tenth anniversary of the Closing Date, less any settled claims. Pursuant to the Merger Agreement, \$78.0 million of the \$158.0 million DPO was required to be paid in full to the selling shareholders. On December 11, 2009, in connection with the Recapitalization

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Transaction, \$100.4 million was paid to the selling shareholders, of which \$78.0 million was the repayment of that portion of the DPO, with approximately \$22.4 million representing accrued interest.

The remaining \$80.0 million is available to indemnify the Company for certain pre-acquisition tax contingencies, related interest and penalties and other matters pursuant to the Merger Agreement. Any amounts remaining after the settlement of claims will be paid out to the selling shareholders. As of March 31, 2009 and 2010, the Company has recorded \$99.4 million and \$100.2 million, respectively, for pre-acquisition uncertain tax positions, of which approximately \$59.6 million and \$62.4 million, respectively, may be indemnified under the remaining available DPO. In addition, other tax contingencies not currently recorded on the Company's consolidated balance sheets may arise and may be indemnified by any remaining DPO. Accordingly, the \$109.0 million and \$20.0 million DPO balance recorded as of March 31, 2009 and 2010, respectively, includes the residual balance to be paid to the selling shareholders based on consideration of contingent tax claims and accrued interest. Interest is accrued at a rate of 5.0% per six-month period on the total remaining \$158.0 million and \$80.0 million DPO, net of any settled claims or payments as of March 31, 2009 and 2010, respectively. As of March 31, 2009 and 2010, there have been no significant settled claims or payments from the DPO related to indemnified claims.

**11. DEBT**

Long-term debt, net of discount, consists of the following (in thousands):

	March 31,	
	2009	2010
Senior secured credit agreement:		
Tranche A	\$ 119,708	\$ 110,829
Tranche B	571,260	566,811
Tranche C	—	345,790
	<u>690,968</u>	<u>1,023,430</u>
Unsecured credit agreement:		
Mezzanine Term Loan	544,759	545,202
Total	1,235,727	1,568,632
Current portion of long-term debt	(15,225)	(21,850)
Long-term debt, net of current portion	<u>\$ 1,220,502</u>	<u>\$ 1,546,782</u>

The Company maintains a Senior Secured Agreement and a Mezzanine Credit Agreement with a syndicate of lenders. In connection with the Recapitalization Transaction, the Senior Secured Agreement was amended and restated effective December 11, 2009, to add Tranche C term loans in the aggregate principal amount of \$350.0 million and provide for an increase to the Company's revolving credit facility of \$145.0 million. The Senior Secured Agreement, as amended, provides for \$1,060.0 million in term loans (\$125.0 million Tranche A, \$585.0 million Tranche B, and \$350.0 million Tranche C), and a \$245.0 million revolving credit facility. In September 2008, a member of the syndicate of lenders filed for bankruptcy. Therefore, management believes that \$21.3 million of the \$245.0 million revolving credit facility under the Senior Secured Agreement will not be available to the Company.

The Senior Secured Agreement requires scheduled principal payments in equal consecutive quarterly installments of the stated principal amount of Tranche A, which commenced on December 31, 2008, with incremental increases prior to the Tranche A maturity date of July 31, 2014. As of March 31, 2009 and 2010, the quarterly installment amount is 1.25% and 2.5% of the stated principal amount of Tranche A, respectively. The Senior Secured Agreement also requires scheduled principal payments in equal consecutive quarterly

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

installments of 0.25% of the stated principal amount of Tranche B, which commenced on December 31, 2008, and 0.25% of the stated principal amount of Tranche C, which commenced on March 31, 2010. The remaining balances thereof on Tranche B and Tranche C are payable on their maturity date of July 31, 2015. The revolving credit facility matures on July 31, 2014, at which time any remaining principal balance is due in full.

At the Company's option, the interest rate on loans under the Senior Secured Agreement may be based on the Eurocurrency rate or alternate base rate ("ABR"). Subject to a pricing grid, the applicable interest rate margins on Tranche A are 3.75% with respect to Eurocurrency loans, or 2.75% with respect to ABR loans, as defined in the Senior Secured Agreement. The applicable interest rate margins on Tranche B are 4.5% with respect to Eurocurrency Loans, or 3.5% with respect to ABR loans, as defined in the Senior Secured Agreement. The Tranche B interest rate may not be lower than 7.5% on either a Eurocurrency Loan or an ABR loan. The applicable interest rate margins on Tranche C are 4.0% with respect to Eurocurrency Loans, or 3.0% with respect to ABR loans, as defined in the Senior Secured Agreement. The Tranche C interest rate may not be lower than 6.0% on either a Eurocurrency Loan or an ABR loan.

As of March 31, 2009, interest accrued at a rate of 4.2% and 7.5% for Tranches A and B, respectively. Interest payments in the amounts of \$4.9 million and \$29.5 million were made for Tranches A and B, respectively, during the eight months ended March 31, 2009. As of March 31, 2010, interest accrued at a rate of 4.0%, 7.5%, and 6.0% for Tranches A, B, and C, respectively. Interest payments in the amounts of \$4.9 million, \$44.1 million, and \$5.3 million were made for Tranches A, B, and C, respectively, during fiscal 2010. The applicable interest rate margins on the revolving credit facility are 3.75% with respect to Eurocurrency Loans, or 2.75% with respect to ABR loans, as defined in the Senior Secured Agreement. The revolving credit facility margin and commitment fee are subject to the pricing grid, as defined in the Senior Secured Agreement. As of March 31, 2009 and 2010, no amounts have been drawn on the revolving credit facility.

The Mezzanine Credit Agreement provides for a \$550.0 million term loan (the "Mezzanine Term Loan"). The Mezzanine Term Loan does not require scheduled principal payment installments, but reaches maturity on July 31, 2016, at which time the remaining principal balance is due in full. Optional prepayment of the Mezzanine Term Loan requires a prepayment fee equal to 3.0% of the principal amount prepaid if paid on or after the second anniversary but before the third anniversary of the original July 31, 2008 closing date, 2.0% if paid on or after the third anniversary but before the fourth anniversary of the closing date, and a mandatory 1.0% if paid on or after the fourth anniversary of the closing date. The Company records the mandatory 1% payment as additional interest expense over the life of the Mezzanine Term Loan on the consolidated statements of operations. Prepayments made before the second anniversary of closing date are subject to additional premiums and penalties based on the present value of the debt and remaining interest payments at the time of such prepayment. The applicable fixed interest rate on the Mezzanine Term Loan is 13.0%, with the option that, in lieu of interest payment in cash, up to 2.0% of that amount would be added to the then outstanding aggregate principal balance. The Company made interest payments in the amount of \$48.3 million and \$72.5 million during the eight months ended 2009, and fiscal 2010, respectively.

The total outstanding debt balance is recorded in the accompanying consolidated balance sheets, net of unamortized discount of \$18.2 million and \$19.2 million as of March 31, 2009 and 2010, respectively.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

The following tables summarizes required future debt principal repayments (in thousands):

	Payments Due By March 31,						
	Total	2011	2012	2013	2014	2015	Thereafter
Tranche A	112,500	\$ 12,500	\$ 15,625	\$ 21,875	\$ 62,500	\$ —	\$ —
Tranche B	576,225	5,850	5,850	5,850	5,850	5,850	546,975
Tranche C	349,125	3,500	3,500	3,500	3,500	3,500	331,625
Mezzanine Term Loan	550,000	—	—	—	—	—	550,000
<b>Total</b>	<b>\$ 1,587,850</b>	<b>\$ 21,850</b>	<b>\$ 24,975</b>	<b>\$ 31,225</b>	<b>\$ 71,850</b>	<b>\$ 9,350</b>	<b>\$ 1,428,600</b>

At March 31, 2009 and 2010, the Company was contingently liable under open standby letters of credit and bank guarantees issued by the Company's banks in favor of third parties. These letters of credit and bank guarantees primarily relate to leases and support of insurance obligations that total \$1.4 million. These instruments reduce the Company's available borrowings under the revolving credit facility.

The loans under the Senior Secured Agreement are secured by substantially all of the Company's assets. The Senior Secured Agreement requires the maintenance of certain financial and non-financial covenants. The Mezzanine Term Loan is unsecured, and the Mezzanine Credit Agreement requires the maintenance of certain financial and non-financial covenants. As of March 31, 2009 and 2010, the Company was in compliance with all of its covenants.

**12. DEFERRED FINANCING COSTS**

Costs incurred in connection with securing the loans under the Senior Secured Agreement as well as the Mezzanine Credit Agreement in 2008 were \$45.0 million, which is recorded as other long-term assets and will be amortized over the life of the loan. Costs incurred in connection with the Recapitalization Transaction, including amending the Senior Secured Agreement and Mezzanine Credit Agreement, were approximately \$18.9 million. Of this amount, approximately \$15.8 million was recorded as other long-term assets in the consolidated balance sheets and will be amortized and reflected in interest expense in the consolidated statements of operations over the lives of the loans. Amortization of these costs will be accelerated to the extent that any prepayment is made on the term loans. The remaining amount of approximately \$3.1 million was recorded as general and administrative expense in the consolidated statement of operations for fiscal 2010.

At March 31, 2009 and 2010, the unamortized debt issuance costs of \$41.9 million and \$52.0 million, respectively, were reflected as other long-term assets in the consolidated balance sheets. During the eight months ended March 31, 2009 and fiscal 2010, \$3.1 million and \$5.7 million of costs, respectively, were amortized and reflected in interest expense in the consolidated statements of operations.

**BOOZ ALLEN HAMILTON HOLDING CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

**13. INCOME TAXES**

The components of income tax expense (benefit) were as follows (in thousands):

	Predecessor		The Company	
	Fiscal Year Ended March 31, 2008	Four Months Ended July 31, 2008	Eight Months Ended March 31, 2009	Fiscal Year Ended March 31, 2010
<b>Current:</b>				
U.S. Federal	\$ 93,374	\$ (1,414)	\$ —	\$ 2,664
State and local	9,307	(459)	—	1,074
Total current	<u>102,681</u>	<u>(1,873)</u>	<u>—</u>	<u>3,738</u>
<b>Deferred:</b>				
U.S. Federal	(37,566)	(44,996)	(16,133)	18,004
State and local	(2,422)	(9,240)	(6,014)	1,833
Total deferred	<u>(39,988)</u>	<u>(54,236)</u>	<u>(22,147)</u>	<u>19,837</u>
<b>Total</b>	<u>\$ 62,693</u>	<u>\$ (56,109)</u>	<u>\$ (22,147)</u>	<u>\$ 23,575</u>

A reconciliation between income tax computed at the U.S. federal statutory income tax rate to income tax expense (benefit) from continuing operations follows (in thousands):

	Predecessor		The Company	
	Fiscal Year Ended March 31, 2008	Four Months Ended July 31, 2008	Eight Months Ended March 31, 2009	Fiscal Year Ended March 31, 2010
Income tax expense (benefit) computed at U.S. statutory rate (35)%	\$ 53,086	\$ (158,779)	\$ (21,326)	\$ 17,148
Increases (reductions) in taxes due to:				
State income taxes, net of the federal tax benefit	8,541	(6,889)	(2,651)	2,913
Meals and entertainment	738	—	1,321	2,552
Nondeductible stock-based compensation	—	97,048	—	—
Other	328	12,511	509	962
<b>Income tax expense (benefit) from continuing operations</b>	<u>\$ 62,693</u>	<u>\$ (56,109)</u>	<u>\$ (22,147)</u>	<u>\$ 23,575</u>

**BOOZ ALLEN HAMILTON HOLDING CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

Significant components of the Company's net deferred income tax asset were as follows (in thousands):

	March 31,	
	2009	2010
<b>Deferred income tax assets:</b>		
Accrued expenses	\$ 21,677	\$ 36,655
Stock-based compensation	26,148	47,461
Pension and postretirement insurance	15,503	844
Property and equipment	11,087	28,728
Net operating loss carryforwards	243,430	141,472
Capital loss carryforward	10,056	42,379
AMT	—	3,091
Other	640	8,960
Total gross deferred income taxes	328,541	309,590
Less valuation allowance	(10,056)	(42,379)
Total net deferred income tax assets	318,485	267,211
<b>Deferred income tax liabilities:</b>		
Unbilled receivables	116,687	122,733
Intangible assets	122,845	106,106
Other	1,509	—
Total deferred tax liabilities	241,041	228,839
Net deferred income tax asset	\$ 77,444	\$ 38,372

Deferred tax balances reflect the impact of temporary differences between the carrying amount of assets and liabilities and their tax basis and are stated at the tax rates expected to be in effect when taxes are actually paid or recovered. A valuation allowance is provided against deferred tax assets when it is more likely than not that some or all of the deferred tax asset will not be realized. In determining if our deferred tax assets are realizable, we consider the Company's history of generating taxable earnings, forecasted future taxable income, as well as any tax planning strategies. The Company recorded a valuation allowance of \$10.1 million and \$42.4 million as of March 31, 2009 and 2010, respectively, against deferred tax assets associated with the capital loss carryforward. For all other deferred tax assets, the Company believes it is more likely than not that the results of future operations will generate sufficient taxable income to realize these deferred tax assets.

At March 31, 2009 and 2010, the Company has approximately \$608.2 million and \$367.6 million, respectively, of net operating loss ("NOL") carryforwards, which will begin to expire in 2028. Section 382 of the Internal Revenue Code limits the use of a corporation's NOLs and certain other tax benefits following a change in ownership of the corporation. As discussed in Notes 1 and 4, Holding acquired the Predecessor in a nontaxable merger effective August 1, 2008. The transaction resulted in an ownership change, which subjects the NOL generated at July 31, 2008 to the limitation under Section 382.

The Patient Protection and Affordable Care Act and subsequent modifications made in the Health Care and Education Reconciliation Act of 2010 were signed into law in March 2010. Under the new legislation, companies will no longer be able to claim an income tax deduction related to the costs of prescription drug benefits provided to retirees and reimbursed under the Medicare Part D retiree drug subsidy. Although this tax change does not take effect until 2013, the Company is required to recognize the impact to the deferred taxes in the period in which the law is enacted. The impact to the Company is immaterial.

**BOOZ ALLEN HAMILTON HOLDING CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

**Uncertain Tax Positions**

As of March 31, 2009 and 2010, the Company has recorded \$99.4 million and \$100.2 million, respectively, for pre-acquisition uncertain tax positions, of which approximately \$59.6 million and \$62.4 million, respectively, may be indemnified under the remaining available DPO. Refer to Note 10 for further explanation.

A reconciliation of the beginning and ending amount of total unrecognized tax benefits is as follows (in thousands):

	March 31,	
	2009	2010
Uncertain tax positions:		
Beginning of year	\$ 86,690	\$ 87,867
Increases related to prior-year tax positions	1,077	—
Increases related to current-year tax positions	100	—
Settlements	—	(1,885)
End of year	<u>\$ 87,867</u>	<u>\$ 85,982</u>

Included in the balance of unrecognized tax benefits at March 31, 2009 and March 31, 2010 are potential tax benefits of \$87.9 million and \$86.0 million, respectively, that, if recognized, would affect the effective tax rate.

The Company recognizes accrued interest and penalties related to unrecognized tax benefits in the income tax provision. Included in the total unrecognized tax benefit are accrued penalties and interest of \$11.5 million and \$14.2 million at March 31, 2009 and 2010, respectively.

The Company and its subsidiaries file a U.S. consolidated income tax return and file in various state and foreign jurisdictions. The Internal Revenue Service (“IRS”) is completing its examination of the Predecessor’s income tax returns, as assumed by the Company, for 2004, 2005, and 2006. As of March 31, 2010, the IRS has proposed certain significant adjustments to the Company’s claim on research credits. Management is currently appealing the proposed adjustments and does not anticipate that the adjustments will result in a material change to its financial position. Additionally, due to statute of limitations expirations and audit settlements, it is reasonably possible that approximately \$18.5 million of currently remaining unrecognized tax positions, each of which are individually insignificant, may be effectively settled by March 31, 2011.

**14. EMPLOYEE BENEFIT PLANS**

***Defined Contribution Plan***

The Company sponsors the Employees’ Capital Accumulation Plan (“ECAP”), which is a qualified defined contribution plan that covers eligible U.S. and international employees. ECAP provides for distributions, subject to certain vesting provisions, to participants by reason of retirement, death, disability, or termination of employment. Total expense under ECAP for fiscal 2008, four months ended July 31, 2008, eight months ended March 31, 2009, and fiscal 2010, was \$150.2 million, \$53.3 million, \$116.8 million, and \$210.3 million, respectively, and the Company-paid contributions were \$147.9 million, \$32.9 million, \$127.3 million, and \$196.3 million, respectively.

***Defined Benefit Plan and Other Postretirement Benefit Plans***

The Company maintains and administers a defined benefit retirement plan and a postretirement medical plan for current, retired, and resigned officers.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

The Company established a non-qualified defined benefit plan for all Officers in May 1995 (the "Retired Officers' Bonus Plan"), which pays a lump-sum amount of \$10,000 per year of service as an Officer, provided the Officer meets retirement vesting requirements. The Company also provides a fixed annual allowance after retirement to cover financial counseling and other expenses. The Retired Officers' Bonus Plan is not salary related, but rather is based primarily on years of service.

In addition, the Company provides postretirement healthcare benefits to former or active Officers under a medical indemnity insurance plan, with premiums paid by the Company. This plan is referred to as the Officer Medical Plan.

The Company recognizes an asset or liability for a defined benefit plan's overfunded or underfunded status, measures a defined benefit plan's assets and its obligations that determine its funded status as of the end of the employer's fiscal year, and recognizes as a component of other comprehensive income the changes in a defined benefit plan's funded status that are not recognized as components of net periodic benefit cost.

The components of net postretirement medical expense for the Officer Medical Plan were as follows (in thousands):

	Predecessor		The Company	
	Fiscal Year Ended March 31, 2008	Four Months Ended July 31, 2008	Eight Months Ended March 31, 2009	Fiscal Year Ended March 31, 2010
Service cost	\$1,894	\$ 755	\$2,325	\$2,682
Interest cost	1,568	666	1,395	2,269
Total postretirement medical expense	<u>\$3,462</u>	<u>\$1,421</u>	<u>\$3,720</u>	<u>\$4,951</u>

The weighted-average assumptions used to determine the year-end benefit obligations are as follows:

	Predecessor			
	Officer Medical Plan		Retired Officers' Bonus Plan	
	Fiscal Year Ending March 31, 2008	Four Months Ending July 31, 2008	Fiscal Year Ending March 31, 2008	Four Months Ending July 31, 2008
Discount rate	6.25%	6.50%	6.25%	6.50%
Rate of increase in future compensation	N/A	N/A	N/A	N/A

	The Company			
	Officer Medical Plan		Retired Officers' Bonus Plan	
	2009	2010	2009	2010
Discount rate	6.50%	5.75%	6.50%	5.75%
Rate of increase in future compensation	N/A	N/A	N/A	N/A

Assumed healthcare cost trend rates for the Officer Medical Plan at March 31, 2008, 2009, and 2010, are as follows:

<u>Pre-65 initial rate</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Healthcare cost trend rate assumed for next year	11.0%	7.5%	8.0%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.0%	5.0%	5.0%
Year that the rate reaches the ultimate trend rate	2013	2015	2017



**BOOZ ALLEN HAMILTON HOLDING CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

Assumed healthcare cost trend rates have a significant effect on the amounts reported for the healthcare plans. A one-percentage-point change in assumed healthcare cost trend rates would have the following effects (in thousands):

	<u>1% Increase</u>	<u>1% Decrease</u>
Effect on total of service and interest cost	\$ 828	\$ (676)
Effect on postretirement benefit obligation	\$6,357	\$(5,271)

Total pension expense, consisting of service and interest, associated with the Retired Officers' Bonus Plan was \$900,000, \$300,000, \$800,000, and \$800,000 for fiscal 2008, four months ended July 31, 2008, eight months ended March 31, 2009, and fiscal 2010, respectively. Benefits paid associated with the Retired Officers' Bonus Plan were \$400,000, \$400,000, \$600,000, and \$300,000 for fiscal 2008, four months ended July 31, 2008, eight months ended March 31, 2009, and fiscal 2010, respectively. The end-of-period benefit obligation of \$4.2 million and \$5.0 million as of March 31, 2009 and 2010, respectively, is included in postretirement obligation in the accompanying consolidated balance sheets.

Accumulated other comprehensive income as of March 31, 2009, includes unrecognized net actuarial gain of \$1.1 million, net of taxes, and net actuarial loss of \$400,000, net of taxes, that have not yet been recognized in net periodic pension cost for the Retired Officers' Bonus Plan and the Officer Medical Plan, respectively. Accumulated other comprehensive income as of March 31, 2010, includes unrecognized net actuarial loss of \$3.8 million, net of taxes, that have not yet been recognized in net periodic pension cost for the Retired Officers' Bonus Plan and the Officer Medical Plan. A primary driver for the net actuarial loss of \$3.8 million in fiscal 2010 was the change in the actuarial discount rate from 6.50% to 5.75%.

The changes in the benefit obligation, plan assets and funded status of the Officer Medical Plan were as follows (in thousands):

	<u>Predecessor</u>		<u>The Company</u>	
	<u>Fiscal Year Ended March 31, 2008</u>	<u>Four Months Ended July 31, 2008</u>	<u>Eight Months Ended March 31, 2009</u>	<u>Fiscal Year Ended March 31, 2010</u>
Benefit obligation, beginning of the year	\$26,624	\$32,605	\$32,157	\$35,577
Service cost	1,894	755	2,325	2,682
Interest cost	1,569	666	1,395	2,270
Actuarial (gain) loss	3,609	(1,518)	797	6,673
Benefits paid	(1,091)	(351)	(1,097)	(1,747)
Benefit obligation, end of the year	<u>\$32,605</u>	<u>\$32,157</u>	<u>\$35,577</u>	<u>\$45,455</u>
<b>Changes in plan assets</b>				
Fair value of plan assets, beginning of the year	\$ —	\$ —	\$ —	\$ —
Actual return on plan assets	—	—	—	—
Employer contributions	1,091	351	1,097	1,747
Benefits paid	(1,091)	(351)	(1,097)	(1,747)
Fair value of plan assets, end of the year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

As of March 31, 2009 and 2010, the unfunded status of the Officer Medical Plan was \$35.6 million and \$45.5 million, respectively.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

The postretirement benefit liability for the Officer Medical Plan is included in postretirement obligation in the accompanying consolidated balance sheets.

**Funded Status for Defined Benefit Plans**

Generally, annual contributions are made at such times and in amounts as required by law and may, from time to time, exceed minimum funding requirements. The Retired Officers' Bonus Plan is an unfunded plan and contributions are made as benefits are paid, for all periods presented. As of March 31, 2009 and 2010, there were no plan assets for the Retired Officers' Bonus Plan and therefore, the accumulated liability of \$4.2 million and \$5.0 million, respectively, is unfunded. The liability will be distributed in a lump-sum payment as each Officer retires.

The expected future medical benefits to be paid are as follows (in thousands):

For the Fiscal Year Ending March 31,	Officer Medical Plan Benefits
2012	\$ 1,641
2013	1,870
2014	2,143
2015	2,398
2016	2,758
2017-2021	19,623

The Company's Officer Medical Plan provides prescription drug benefits to its plan participants. Under the Medicare Prescription Drug, Improvement and Modernization Act of 2003, the U.S. government makes subsidy payments to eligible employers to offset a portion of the cost incurred for prescription drug benefits provided to the employer's Medicare-eligible retired plan participants. The Company's expected future subsidy receipts are not material.

**15. OTHER LONG-TERM LIABILITIES**

Other long-term liabilities consist of the following (in thousands):

	March 31,	
	2009	2010
Deferred rent	\$4,790	\$10,255
Deferred compensation	4,770	11,289
Stock-based compensation	—	27,432
Other	87	292
<b>Total other long-term liabilities</b>	<b>\$9,647</b>	<b>\$49,268</b>

Deferred rent liabilities result from recording rent expense on a straight-line basis over the life of the respective lease and recording incentives for tenant improvements. The increase of \$5.5 million as of March 31, 2010 as compared to March 31, 2009 was primarily for accrual of deferred rent on existing leases.

In fiscal 2010, the Company recorded a stock-based compensation liability of \$34.4 million, including \$7.0 million expected to be paid within one year, related to the reduction in stock option exercise price associated with the December 2009 dividend. Options vested and not yet exercised that would have had an exercise price below zero as a result of the dividend were reduced to one cent, with the remaining reduction to be paid in cash upon exercise of the options. Refer to Note 17 for further discussion of the December 2009 dividend.

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The Company maintains a deferred compensation plan, the EPP, established in January 2009, for the benefit of certain employees. The EPP allows eligible participants to defer all or a portion of their annual performance bonus, reduced by amounts withheld for the payment of taxes or other deductions required by law. The Company makes no contributions to the EPP, but maintains participant accounts for deferred amounts and interest earned. The amounts deferred into the EPP will earn interest at a rate of return indexed to the results of the Company's growth as defined by the EPP. In each subsequent year, interest will be compounded on the total deferred balance. Employees must leave the money in the EPP until 2014. The deferred balance generally will be paid within 180 days of the final determination of the interest to be accrued for 2014, upon retirement, or termination. As of March 31, 2009 and 2010, the Company's liability associated with the EPP was \$4.8 million and \$11.3 million, respectively. Accrued amounts related to the EPP are included in other long-term liabilities on the accompanying consolidated balance sheets.

**16. STOCKHOLDERS' EQUITY**

*Common Stock*

As of March 31, 2009 and 2010, the Company has 16,000,000 shares of authorized Class A Common Stock, par value \$0.01 per share, 16,000,000 shares of authorized Class B Non-Voting Common Stock, par value \$0.01, 600,000 shares of authorized Class C Restricted Common Stock, par value \$0.01, 600,000 shares of authorized Class D Merger Rolling Common Stock, par value \$0.01, 2,500,000 shares of authorized Class E Special Voting Common Stock, par value \$0.03, and 600,000 shares of authorized Class F Non-Voting Restricted Common Stock, par value \$0.01 per share. The total number of shares of capital common stock the Company has the authority to issue is 36,300,000.

The Common Stock shares outstanding are as follows:

	March 31,	
	2009	2010
Class A Common Stock	10,131,687	10,292,290
Class B Non-Voting Common Stock	235,020	235,020
Class C Restricted Common Stock	202,827	202,827
Class E Special Voting Common Stock	1,480,288	1,334,588
<b>Total shares outstanding</b>	<b><u>12,049,822</u></b>	<b><u>12,064,725</u></b>

Holders of Class A Common Stock, Class C Restricted Common Stock, Class D Merger Rolling Common Stock, and Class E Special Voting Common Stock are entitled to one vote for each share as a holder. The holders of the Voting Common Stock shall vote together as a single class. The holders of Class B Non-Voting Common Stock and Class F Non-Voting Restricted Common Stock have no voting rights.

Class C Restricted Common Stock is restricted in that a holder's shares vest as set forth in the Officers' Rollover Stock Plan. Refer to Note 17 for further discussion of the Officers' Rollover Stock Plan.

Class E Special Voting Common Stock represents the voting rights that accompany the New Options program. The New Options program has a fixed vesting and exercise schedule to comply with IRS section 409(a). Upon exercise, the option will convert to Class A Common Stock, and the corresponding Class E Special Voting Common Stock will be repurchased by the Company and retired. Refer to Note 17 for further discussion of the New Options program.

Each share of Common Stock, except for Class E Special Voting Common Stock, is entitled to participate equally, when and if declared by the Board of Directors from time to time, such dividends and other distributions in cash, stock, or property from the Company's assets or funds become legally available for such

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purposes subject to any dividend preferences that may be attributable to preferred stock that may be authorized.

In May 2009, 1,907 shares of Class A Common Stock, with certain restrictions, were granted to certain unaffiliated Board members. These shares were restricted based on the unaffiliated Board members' continued service to the Company, and vested in equal installments on May 7, 2009, September 30, 2009, and March 31, 2010. As of March 31, 2010, these shares were fully vested. Such shares and related equity balances are included in the Company's Class A Common Stock. Refer to Note 17 for further discussion of Class A Restricted Common Stock.

***Preferred Stock***

The Company is authorized to issue 600,000 shares of Preferred Stock, \$0.01 par value per share, the terms and conditions of which are determined by the Board of Directors upon issuance. The rights, preferences and privileges of holders of common stock are subject to, and may be adversely affected by, the rights of holders of any shares of preferred stock that the Company may designate and issue in the future. At March 31, 2009 and March 31, 2010, there were no shares of preferred stock outstanding.

***Predecessor Redeemable Common Stock***

Prior to the Merger Transaction, the Predecessor's authorized capital stock as of March 31 and July 31, 2008, consisted of 5,000 shares of Common Stock, 5,000 shares of Class A Non-Voting Common Stock, 4,000 shares of Class B Common Stock, and 1,000 shares of Class B Non-Voting Common Stock. Each share of Common Stock and each share of the Class B Common Stock was entitled to one vote. Pursuant to the terms of the Predecessor's stock rights plan, shares of Common Stock and shares of Class A Non-Voting Common Stock were redeemable at the book value per share at the option of the holder.

**17. STOCK-BASED COMPENSATION**

***Officers' Rollover Stock Plan***

The Officers' Rollover Stock Plan (the "Rollover Plan") was adopted as a mechanism to enable the exchange by the Officers of the Company's U.S. government consulting business who were required to exchange (and those commercial officers who elected to exchange subject to an aggregate limit) a portion of their previous equity interests in the Predecessor for equity interests in the Company. Among the equity interests that were eligible for exchange were common stock and stock rights, both vested and unvested.

The stock rights that were unvested, but would have vested in 2008, were exchanged for 202,827 shares of new Class C Restricted Common Stock ("Class C Restricted Stock") issued by the Company at an estimated fair value of \$100 at August 1, 2008. The aggregate grant date fair value of the Class C Restricted Stock issued of \$20.3 million is being recorded as expense over the vesting period. Total compensation expense recorded in conjunction with this Class C Restricted Stock for the eight months ended March 31, 2009, and fiscal 2010, was \$7.9 million and \$7.1 million, respectively. As of March 31, 2010, unrecognized compensation cost related to the non-vested Class C Restricted Stock was \$5.3 million and is expected to be recognized over 3.25 years. For fiscal 2010, 49,449 shares of Class C Restricted Stock vested. At both March 31, 2009 and 2010, 397,173 shares of Class C Restricted Stock were authorized but unissued under the Plan. Notwithstanding the foregoing, Class C Restricted Stock was intended to be issued only in connection with the exchange process described above.

In addition to the conversion of the stock rights that would have vested in 2008 to Class C Restricted Stock, new options ("New Options") were issued in exchange for old stock rights held by the Predecessor's U.S. government consulting partners that were issued under the stock rights plan that existed for the Predecessor's Officers prior to the closing of the Merger Transaction. The New Options were granted based on

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the retirement eligibility of the Officer. For the purposes of the New Options, there are two categories of Officers — retirement eligible and non-retirement eligible. New Options granted to retirement eligible Officers vest in equal annual installments on June 30, 2009, 2010, and 2011.

The following table summarizes the exercise schedule for Officers who were deemed retirement eligible. Exercise schedules are based on original vesting dates applicable to the stock rights surrendered:

	Percentage of New Options to be Exercised As of June 30,					
	2009	2010	2011	2012	2013	2014
<b>Retirement Eligible</b>						
Original vesting date of June 30, 2009	60%	20%	20%	—	—	—
Original vesting date of June 30, 2010	—	50%	20%	20%	10%	—
Original vesting date of June 30, 2011	—	—	20%	20%	30%	30%

Those individuals who were considered retirement eligible also were given the opportunity to make a one-time election to be treated as non-retirement eligible. The determination of retirement eligibility was made as of a fixed period of time and cannot be changed at a future date.

New Options granted to Officers who were categorized as non-retirement eligible will vest 50% on June 30, 2011, and 25% on June 30, 2012 and 2013.

The following table summarizes the exercise schedule for Officers who were deemed non-retirement eligible. Exercise schedules are based on original vesting dates applicable to the stock rights surrendered:

	Percentage of New Options to be Exercised As of June 30,				
	2011	2012	2013	2014	2015
<b>Non-Retirement Eligible</b>					
Original vesting date of June 30, 2011	20%	20%	20%	20%	20%
Original vesting date of June 30, 2012	—	25%	25%	25%	25%
Original vesting date of June 30, 2013	—	—	33%	33%	34%

If a holder's employment with the Company were to terminate without cause, by reason of disability, or Company approved termination, these shares will continue to vest as if the holder continued to be employed as a retirement eligible or non-retirement eligible employee, as the case may be. In the event that a holder's employment is terminated due to death, any unvested New Options shall immediately vest in full. In the event of a holder's termination of employment due to death, disability, or a Company approved termination, the Company may, in its sole discretion, convert all or a portion of unexercised New Options into the right to receive upon vesting and exercise, in lieu of Company Common Stock, a cash payment pursuant to a prescribed formula. The aggregate grant date fair value of the New Options issued of \$127.1 million is being recorded as compensation expense over the vesting period. Total compensation expense recorded in conjunction with the New Options for the eight months ended March 31, 2009 and fiscal 2010, was \$42.7 million and \$42.2 million, respectively. As of March 31, 2010, unrecognized compensation cost related to the non-vested New Options was \$42.0 million, which is expected to be recognized over 3.25 years. For the eight months ended March 31, 2009 and fiscal 2010, zero and 242,847 New Options vested, respectively. For the eight months ended March 31, 2009 and fiscal 2010, zero and 145,708 New Options were exercised, respectively.

**Equity Incentive Plan**

The Equity Incentive Plan ("EIP") was created in connection with the transaction for employees, directors, and consultants of Holding and its subsidiaries. The Company created a pool of options (the "EIP

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Options”) to draw upon for future grants that would be governed by the EIP. All options under the EIP are exercisable, upon vesting, for shares of common stock of Holding. The first grant of options under the EIP occurred on November 19, 2008, which was for the grant of 1,190,000 non-qualified EIP Options. The estimated fair value of the common stock at the time of the first option grant was \$100. A second grant of 142,000 non-qualified EIP Options occurred on May 7, 2009. The estimated fair value of the common stock at the time of the second option grant was \$118.06. Grants of 47,000 and 14,000 non-qualified EIP Options were issued on January 27, 2010, and February 15, 2010, respectively. The estimated fair value of the common stock at the time of the third and fourth option grants was \$114.93.

Stock options are granted at the discretion of the Board of Directors or its Compensation Committee and expire ten years from the date of the grant. Options generally vest over a five-year period based upon required service and performance conditions. The Company calculates the pool of additional paid-in capital associated with excess tax benefits using the “simplified method.”

The aggregate grant date fair value of the EIP Options issued during the eight months ended March 31, 2009, and fiscal 2010, was \$51.5 million and \$10.6 million, respectively, and is being recorded as expense over the vesting period. Total compensation expense recorded in conjunction with all options outstanding under the EIP for the eight months ended March 31, 2009, and fiscal 2010, was \$11.5 million and \$22.4 million, respectively. For the eight months ended March 31, 2009, and fiscal 2010, zero and 12,996 EIP Options were exercised, respectively. For the eight months ended March 31, 2009, and fiscal 2010, zero shares and 236,889 shares vested, respectively. Future compensation cost related to the non-vested stock options not yet recognized in the consolidated statements of operations was \$28.3 million, and is expected to be recognized over 4.25 years. As of March 31, 2010, there were 763,360 options available for future grant under the EIP.

***May 2009 Grant of Class A Restricted Common Stock***

On May 7, 2009, the Compensation Committee of the Board of Directors granted Class A Common Stock with certain restrictions (“Class A Restricted Stock”) to certain unaffiliated Board members for their continued service to the Company. A total of 1,907 shares of Class A Restricted Stock were issued on May 7, 2009. These shares will vest in equal installments on May 7, 2009, September 30, 2009, and March 31, 2010, and were issued with an aggregate grant date fair value of \$225,000. Total compensation expense recorded in conjunction with this grant of Class A Restricted Stock for fiscal 2010 was \$225,000. For fiscal 2010, 1,907 shares of Class A Restricted Stock vested. There were no additional shares authorized to be issued under the May 2009 Compensation Committee grant.

***Predecessor Stock Plan***

Prior to the Merger Transaction, the Predecessor’s Officer Stock Rights Plan enabled officers to purchase shares of Class A Common Stock. The Board of Directors had sole discretion to establish the book value applicable to shares of common stock to be purchased by officers upon the exercise of their stock rights. Rights were granted in connection with the Class B Common Stock to purchase shares of Class A Common Stock, and vested one-tenth each year based on nine years of continuous service, with the first tenth vesting immediately. The exercise price for the first tenth was equal to the book value of the Predecessor’s Class A Common Stock on the grant date, and for the remaining rights the exercise price was equal to 50% of the book value on the grant date. Rights not exercised upon vesting were forfeited. Rights also accelerated upon retirement, in which case the exercise price was equal to 100% of the grant date book value.

Effective July 30, 2008, the Predecessor modified the Officers’ Stock Rights Plan to provide for accelerated vesting of stock rights in anticipation of a change in control of the Predecessor. All unvested stock rights were accelerated and vested with the exception of rights that would be exchanged for equity instruments in Holding after the Merger Transaction. Any stock rights that were due to vest in June 2008 were exercised

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at a price of 50% of the grant date book value and converted to Class A Common Stock on July 30, 2008. The remaining stock rights that were accelerated and vested were subsequently exercised at 100% of the grant date book value and converted to Class A Common Stock on July 30, 2008.

The Predecessor accounted for the rights granted under the Officers' Stock Rights Plan as liability awards, which are marked to intrinsic value for the life of the award, using an accelerated method, through stock compensation expense.

Stock compensation expense of \$193.5 million related to the acceleration of stock rights, and \$318.2 million related to the mark-up of redeemable common shares, was recorded during the four months ended July 31, 2008.

**Methodology**

The Company uses the Black-Scholes option-pricing model to determine the estimated fair value for stock-based awards. The fair value of the Company stock on the date of the New Option grant was determined based on the fair value of the Merger Transaction involving Booz Allen Hamilton, Inc. and the Company that occurred on July 31, 2008. For all subsequent grants of options, fair value was determined by an independent valuation specialist.

As the Company has no plans to issue regular dividends, a dividend yield of zero was used in the Black-Scholes model. Expected volatility was calculated as of each grant date based on reported data for a peer group of publicly traded companies for which historical information was available. The Company will continue to use peer group volatility information until historical volatility of the Company can be regularly measured against an open market to measure expected volatility for future option grants. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve rates with the remaining term equal to the expected life assumed at the date of grant. Due to the lack of historical exercise data, the average expected life was estimated based on internal qualitative and quantitative factors. Forfeitures were estimated based on the Company's historical analysis of Officer attrition levels.

The weighted average assumptions used in the Black-Scholes option-pricing model for stock option awards were as follows:

	The Company		
	Eight Months Ended March 31, 2009		
	Rollover Stock Plan New Options (Retirement)	Rollover Stock Plan New Options (Non-Retirement)	Equity Incentive Plan
Dividend yield	0.0%	0.0%	0.0%
Expected volatility	33.6%	36.0%	40.0%
Risk-free interest rate	2.76%	3.26%	2.50%
Expected life (in years)	2.98	5.29	7.02
	Fiscal Year Ended March 31, 2010		
	Rollover Stock Plan New Options (Retirement)	Rollover Stock Plan New Options (Non-Retirement)	Equity Incentive Plan
Dividend yield	0.0%	0.0%	0.0%
Expected volatility	33.6%	36.0%	40.0%
Risk-free interest rate	2.76%	3.26%	2.56%
Expected life (in years)	2.98	5.29	7.03

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The weighted-average grant-date fair values of retirement eligible New Options, non-retirement eligible New Options and EIP Options were \$85.36, \$86.30, and \$46.93, respectively.

**December 2009 Dividend and July 2009 Dividend**

On December 7, 2009, the Company's Board of Directors approved a dividend of \$46.42 per share paid to holders of record as of December 8, 2009 of Class A Common Stock, Class B Non-Voting Common Stock, and Class C Restricted Common Stock. This dividend totaled \$497.5 million. As required by the Rollover Plan and the EIP, and in accordance with applicable tax laws and regulatory guidance, the exercise price per share of each outstanding New Option and EIP Option was reduced in an amount equal to the value of the dividend. The Company evaluated the reduction of the exercise price associated with the dividend issuance. The reduction of the exercise price was contemplated in both the Rollover and EIP plans, and therefore, the Company did not record any additional incremental compensation expense associated with the dividend and corresponding decrease in the exercise price of all outstanding options. Options vested and not yet exercised that would have had an exercise price below zero as a result of the dividend were reduced to one cent. The difference between one cent and the reduced value for shares vested and not yet exercised of approximately \$54.4 million will be paid in cash upon exercise of the options. As of March 31, 2010, the Company reported \$27.4 million in other long-term liabilities and \$7.0 million in accrued compensation and benefits in the consolidated balance sheets for the portion of stock-based compensation recognized as of March 31, 2010 reflective of the options vested with an exercise price of one cent.

On July 27, 2009, the Company's Board of Directors approved a dividend of \$10.87 per share paid to holders of record as of July 29, 2009 of the Company's Class A Common Stock, Class B Non-Voting Common Stock, and Class C Restricted Common Stock. This dividend totaled \$114.9 million. In accordance with the Officers' Rollover Stock Plan, the exercise price per share of each outstanding option, including New Options and EIP options, was reduced in compliance with applicable tax laws and regulatory guidance. Additionally, the Company evaluated the reduction of the exercise price associated with the dividend issuance. As a result, the Company did not record any additional incremental compensation expense associated with the dividend and corresponding decrease in the exercise and fair value of all outstanding options.

The following table summarizes stock-based compensation for stock options (in thousands):

	Predecessor		The Company	
	Fiscal Year Ended March 31, 2008	Four Months Ended July 31, 2008	Eight Months Ended March 31, 2009	Fiscal Year Ended March 31, 2010
Included in cost of revenue:				
Compensation and other costs	\$35,013	\$ —	\$20,479	\$23,652
Total included in cost of revenue	35,013	—	20,479	23,652
Included in general and administrative expenses:				
Compensation and other costs	—	511,653	41,580	48,245
Total included in general and administrative expenses	—	511,653	41,580	48,245
Total	\$35,013	\$511,653	\$62,059	\$71,897



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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

The following table summarizes stock option activity for the periods presented:

	<u>Number of Options</u>	<u>Weighted Average Exercise Price</u>
<b>Officers' Rollover Stock Plan New Options</b>		
Retirement Eligible:		
Granted at August 1, 2008	728,542	\$ 16.23
Forfeited	—	—
Expired	—	—
Exercised	—	—
Options outstanding at March 31, 2009	<u>728,542</u>	<u>\$ 0.01*</u>
Granted	—	—
Forfeited	—	—
Expired	—	—
Exercised	<u>145,708</u>	<u>0.01*</u>
Options outstanding at March 31, 2010	<u><u>582,834</u></u>	
Non-Retirement Eligible:		
Granted at August 1, 2008	751,750	\$ 16.79
Forfeited	—	—
Expired	—	—
Exercised	—	—
Options outstanding at March 31, 2009	<u>751,750</u>	<u>0.01*</u>
Granted	—	—
Forfeited	—	—
Expired	—	—
Exercised	—	—
Options outstanding at March 31, 2010	<u><u>751,750</u></u>	
<b>Equity Incentive Plan Options</b>		
Granted at November 19, 2008	1,190,000	\$ 100.00
Forfeited	—	—
Expired	—	—
Exercised	—	—
Options outstanding at March 31, 2009	<u>1,190,000</u>	<u>\$ 42.71*</u>
Granted	203,000	77.04*
Forfeited	73,507	43.82
Expired	—	—
Exercised	<u>12,996</u>	<u>42.71*</u>
Options outstanding at March 31, 2010	<u><u>1,306,497</u></u>	

\* Reflects adjustment for \$10.87 dividend issued July 27, 2009, and \$46.42 dividend issued December 11, 2009.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

The following table summarizes unvested stock options for the periods presented:

	Number of Options	Weighted Average Fair Value	Aggregate Intrinsic Value on Grant Date (In thousands)
<b>Officers' Stock Rights Plan — Predecessor</b>			
Unvested at March 31, 2008	903	\$ 125.42	\$ 56,627
Granted	—	—	—
Vested	679	126.11	42,814
Forfeited	—	—	—
Unvested at July 31, 2008	<u>224**</u>		
<b>Officers' Rollover Stock Plan New Options</b>			
Retirement Eligible:			
Granted at August 1, 2008	728,542	\$ 100.00	\$ 61,032
Vested	—	—	—
Forfeited	—	—	—
Unvested at March 31, 2009	<u>728,542</u>		
Granted	—	—	—
Vested	242,847	42.71*	10,370*
Forfeited	—	—	—
Unvested at March 31, 2010	<u>485,695</u>		
Non-Retirement Eligible:			
Granted at August 1, 2008	751,750	\$ 100.00	\$ 62,553
Vested	—	—	—
Forfeited	—	—	—
Unvested at March 31, 2009	<u>751,750</u>		
Granted	—	—	—
Vested	—	—	—
Forfeited	—	—	—
Unvested at March 31, 2010	<u>751,750</u>		
<b>Equity Incentive Plan Options</b>			
Unvested at August 1, 2008	1,190,000	\$ 100.00	\$ —
Granted	—	—	—
Vested	—	—	—
Forfeited	—	—	—
Unvested at March 31, 2009	<u>1,190,000</u>		
Granted	203,000	\$ 77.04*	\$ —
Vested	236,889	42.71*	—
Forfeited	73,507	43.82	—
Unvested at March 31, 2010	<u>1,082,604</u>		

\* Reflects adjustment for \$10.87 dividend issued July 27, 2009, and \$46.42 dividend issued December 11, 2009.

\*\* 224 outstanding rights remaining as of July 31, 2008, were exchanged as a part of the Merger Transaction.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

The following table summarizes stock options outstanding at March 31, 2010:

Range of Exercise Prices	Number of Options (In thousands)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (In years)	Options Exercisable (In thousands)
<b>Officers' Rollover Stock Plan</b>				
\$0.01	1,335	\$ 0.01*	2.56	97
<b>Equity Incentive Plan</b>				
\$40.00 — \$115.0	1,307	\$47.98*	8.72	134

\* Reflects adjustment for \$10.87 dividend issued July 27, 2009, and \$46.42 dividend issued December 11, 2009.

The stock-based compensation expense recorded in fiscal 2010 related to stock options was accounted for as equity awards.

**18. FAIR VALUE MEASUREMENTS**

The fair value hierarchy established in the accounting standard prioritizes the inputs used in valuation techniques into three levels as follows:

*Level 1:* Observable inputs — quoted prices in active markets for identical assets and liabilities;

*Level 2:* Observable inputs other than quoted prices in active markets for identical assets and liabilities — includes quoted prices for similar instruments, quoted prices for identical or similar instruments in inactive markets, and amounts derived from value models where all significant inputs are observable in active markets; and

*Level 3:* Unobservable inputs — includes amounts derived from valuation models where one or more significant inputs are unobservable and require the Company to develop relevant assumptions.

The Company is required to disclose the fair value of all financial assets subject to fair value measurement and the nature of the valuation techniques, including their classification within the fair value hierarchy, utilized by the Company in performing these measurements. The only financial assets subject to fair value measurements held by the Company at March 31, 2010 were the Company's cash and cash equivalents. These assets are considered to be Level 1 assets.

**19. RELATED-PARTY TRANSACTIONS**

As discussed in Note 4, Investor acquired all of the issued and outstanding stock of the Company. From time to time, and in the ordinary course of business: (1) other Carlyle portfolio companies engage the Company as a subcontractor or service provider, and (2) the Company engages other Carlyle portfolio companies as subcontractors or service providers. Revenue and cost associated with these related parties for the eight months ended March 31, 2009, were immaterial. Revenue and cost associated with these related parties for fiscal 2010, were \$15.1 million and \$13.5 million, respectively.

Only July 31, 2008, the Company entered into a management agreement (the "Management Agreement") with, TC Group V US, L.L.C. ("TC Group"), a company affiliated with Carlyle. In accordance with the Management Agreement, TC Group provides the Company with advisory, consulting and other services and the Company pays TC Group an aggregate annual fee of \$1.0 million plus expenses. In addition, the Company made a one-time payment to TC Group of \$20.0 million for investment banking, financial advisory and other services provided to the Company in connection with the Acquisition. For the eight months ended March 31, 2009 and fiscal 2010, the Company incurred \$700,000 and \$1.0 million, respectively, in advisory fees.

**BOOZ ALLEN HAMILTON HOLDING CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

Pursuant to the spin-off described in Note 4, effective July 31, 2008, the Company entered into a transition services agreement (“TSA”) and a collaboration agreement (“CA”) with Booz & Company Inc. (“Booz & Co.”). The TSA required the Company and Booz & Co. to provide to each other certain support services for up to 15 months following July 31, 2008. Revenue and expenses were recognized as incurred.

The CA requires the Company and Booz & Co. to provide to each other the services of personnel that were either staffed on existing contracts as of July 31, 2008, or contemplated to be staffed in proposals submitted prior to but accepted after such date. The CA will remain in effect until the termination or expiration of the applicable contracts. Revenue and expenses are recognized as incurred.

Included in the financial position and results of operations are the following (in thousands):

	<u>Transition Services Agreement</u>	<u>Collaboration Agreement</u>
<b>As of March 31, 2009:</b>		
Accounts receivable	\$ 2,918	\$ 725
Accounts payable	\$ 1,806	\$ 93
<b>As of March 31, 2010:</b>		
Accounts receivable	\$ 303	\$ 73
Accounts payable	\$ 1,318	\$ —
<b>For the eight months ended March 31, 2009:</b>		
Revenue	\$12,608	\$15,044
Expenses	\$15,772	\$12,013
<b>For the fiscal year ended March 31, 2010:</b>		
Revenue	\$ 3,226	\$ 486
Expenses	\$ 2,096	\$ 793

There were no related-party transactions during fiscal 2008 and four months ended July 31, 2008.

**20. COMMITMENTS AND CONTINGENCIES**

*Leases*

The Company leases office space under noncancelable operating leases that expire at various dates through 2016. The terms for the facility leases generally provide for rental payments on a graduated scale, which are recognized on a straight-line basis over the terms of the leases, including reasonably assured renewal periods, from the time the Company controls the leased property. Lease incentives are recorded as a deferred credit and recognized as a reduction to rent expense on a straight-line basis over the lease term. Rent expense was approximately \$84.6 million, net of \$4.9 million of sublease income, \$30.2 million, net of \$2.0 million of sublease income, \$68.6 million, net of \$10.6 million of sublease income and \$109.5 million, net of \$7.1 million of sublease for fiscal 2008, four months ended July 31, 2008, eight months ended March 31, 2009, and fiscal 2010, respectively.

**BOOZ ALLEN HAMILTON HOLDING CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

Future minimum operating lease payments for noncancelable operating leases and future minimum noncancelable sublease rentals are summarized as follows (in thousands):

<b>For the Fiscal Year Ending March 31,</b>	<b>Operating Lease Payments</b>	<b>Operating Sublease Income</b>
2011	\$ 74,447	\$ 801
2012	59,001	320
2013	47,776	—
2014	39,642	—
2015	30,244	—
Thereafter	36,566	—
	<u>\$287,676</u>	<u>\$1,121</u>

Rent expense is included in occupancy costs, a component of general and administrative expenses, as shown on the consolidated statements of operations, and includes rent, sublease income from third parties, real estate taxes, utilities, parking, security, repairs and maintenance and storage costs.

As a result of the Merger Transaction, the Company assigned a total of eight leases to Booz & Co. The facilities are located in New York, New York; Troy, Michigan; Florham Park, New Jersey; Parsippany, New Jersey; Houston, Texas; Chicago, Illinois; Cleveland, Ohio; and Dallas, Texas. Except for the Cleveland and Dallas leases, which expired, the Company remains liable under the terms of the original leases should Booz & Co. default on its obligations. There were no events of default under these leases as of March 31, 2009 and 2010. The Company also remains liable as a parent guarantor of the London lease. The maximum potential amount of undiscounted future payments is \$68.9 million, and the leases expire at different dates between February 2012 and March 2017.

**Government Contracting Matters**

For fiscal 2008, four months ended July 31, 2008, eight months ended March 31, 2009, and fiscal 2010, approximately 86%, 93%, 98%, and 98%, respectively, of the Company's revenue was generated from contracts with U.S. government agencies or other U.S. government contractors. Contracts with the U.S. government are subject to extensive legal and regulatory requirements and, from time to time and in the ordinary course of business, agencies of the U.S. government investigate whether the Company's operations are conducted in accordance with these requirements and the terms of the relevant contracts. U.S. government investigations of the Company, whether related to the Company's U.S. government contracts or conducted for other reasons, could result in administrative, civil, or criminal liabilities, including repayments, fines, or penalties being imposed upon the Company, or could lead to suspension or debarment from future U.S. government contracting. Management believes it has adequately reserved for any losses that may be experienced from any investigation of which it is aware. The Defense Contract Management Agency Administrative Contracting Officer has negotiated annual final indirect cost rates through fiscal year 2005. Audits of subsequent years may result in cost reductions and/or penalties. Management believes it has adequately reserved for any losses that may be experienced from any such reductions and/or penalties. The Company has recorded a liability of approximately \$72.7 million for its current best estimate of net amounts to be refunded to customers for potential adjustments from such audits or reviews of contract costs incurred subsequent to fiscal year 2005.

**Litigation**

We are involved in legal proceedings and investigations arising in the ordinary course of business, including those relating to employment matters, relationships with clients and contractors, intellectual property

**BOOZ ALLEN HAMILTON HOLDING CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

disputes and other business matters. These legal proceedings seek various remedies, including monetary damages in varying amounts that currently range up to \$26.2 million or are unspecified as to amount. Although the outcome of any such matter is inherently uncertain and may be materially adverse, based on current information, our management does not expect any of the currently ongoing audits, reviews, investigations or litigation to have a material adverse effect on our financial condition and results of operations.

Six former officers and stockholders of the Predecessor who had departed the firm prior to the Acquisition have filed a total of nine suits against the Company and certain of the Company's current and former directors and officers. Each of the suits arises out of the Acquisition and alleges that the former stockholders are entitled to certain payments that they would have received if they had held their stock at the time of the Acquisition. The various suits assert claims for breach of contract, tortious interference with contract, breach of fiduciary duty, civil RICO violations, and/or securities and common law fraud. Two of these suits have been dismissed and another has been dismissed but the former stockholder has sought leave to re-plead. Five of the remaining suits are pending in the United States District Court for the Southern District of New York and the sixth is pending in the United States District Court for the Southern District of California. The aggregate alleged damages sought in the six remaining suits is approximately \$197 million (\$140 million of which is sought to be trebled pursuant to RICO), plus punitive damages, costs, and fees. Although the outcome of any of these cases is inherently uncertain and may be materially adverse, based on current information, our management does not expect them to have a material adverse effect on our financial condition and results of operations.

***Other Matters***

At March 31, 2009 and 2010, the Company was contingently liable under open standby letters of credit and bank guarantees issued by the Company's banks in favor of third parties. These letters of credit and bank guarantees primarily relate to leases and support of insurance obligations that total \$1.4 million. These instruments reduce the Company's available borrowings under the revolving credit facility.

**21. BUSINESS SEGMENT INFORMATION**

We report operating results and financial data in one operating and reportable segment. We manage our business as a single profit center in order to promote collaboration, provide comprehensive functional service offerings across our entire client base, and provide incentives to employees based on the success of the organization as a whole. Although certain information regarding served markets and functional capabilities is discussed for purposes of promoting an understanding of our complex business, we manage our business and allocate resources at the consolidated level of a single operating segment.

**BOOZ ALLEN HAMILTON HOLDING CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

**22. UNAUDITED QUARTERLY FINANCIAL DATA**

	Predecessor		2009 Quarters			
	First	One Month Ended July 31, 2008	The Company		Fourth	
			Two Months Ended September 30, 2008	Third		
	(In thousands, except per share amounts)					
Revenue	\$ 1,072,986	\$ 336,957	\$693,425	\$1,091,557	\$1,156,293	
Operating (loss) income	(257,561)	(195,728)	15,744	17,576	(632)	
(Loss) income before income taxes	(257,562)	(196,091)	(7,167)	(18,097)	(35,666)	
Net (loss) income	(1,058,437)	(187,478)	(15,932)	(11,492)	(11,359)	
Earnings (loss) per common share:						
Basic(1)	\$ (594.96)	\$ (87.48)	\$ (1.54)	\$ (1.11)	\$ (1.10)	
Diluted(1)	\$ (594.96)	\$ (87.48)	\$ (1.54)	\$ (1.11)	\$ (1.10)	

	2010 Quarters			
	First	Second	Third	Fourth
	(In thousands, except per share amounts)			
Revenue	\$1,229,459	\$1,279,257	\$1,261,353	\$1,352,564
Operating income (loss)	52,351	57,938	40,712	48,553
Income (loss) before income taxes	15,972	21,262	2,696	9,064
Net (loss) income	10,438	12,476	(512)	3,017
Earnings (loss) per common share:				
Basic(1)	\$ 0.99	\$ 1.18	\$ (0.05)	\$ 0.28
Diluted(1)	\$ 0.94	\$ 1.09	\$ (0.05)	\$ 0.25

(1) Earnings per share are computed independently for each of the quarters presented and therefore may not sum to the total for the fiscal year.

**23. SUPPLEMENTAL FINANCIAL INFORMATION**

The following schedule summarizes valuation and qualifying accounts for the periods presented (in thousands):

	Predecessor		The Company	
	Fiscal Year Ended March 31, 2008	Four Months Ended July 31, 2008	Eight Months Ended March 31, 2009	Fiscal Year Ended March 31, 2010
Allowance for doubtful accounts				
Beginning balance	\$ 4,170	\$ 4,364	\$ 1,959	\$1,648
Provision for doubtful accounts	7,116	1,038	2,082	1,371
Charges against allowance	(6,922)	(3,443)	(2,393)	(892)
Ending balance	<u>\$ 4,364</u>	<u>\$ 1,959</u>	<u>\$ 1,648</u>	<u>\$2,127</u>

**BOOZ ALLEN HAMILTON HOLDING CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

**24. DISCONTINUED OPERATIONS**

As discussed in Note 4, the Predecessor spun off its global commercial business into a stand-alone entity referred to as Booz & Company, Inc. on July 31, 2008. Accordingly, the following amounts related to the global commercial business have been segregated from continuing operations and included in discontinued operations, net of tax, in the consolidated statement of operations for fiscal 2008 and four months ended July 31, 2008 (in thousands):

	March 31, 2008	July 31, 2008
Revenue	\$ 1,147,612	\$ 438,567
Operating expenses:		
Cost of services	926,957	300,652
General and administrative expenses	315,537	1,142,880
Operating loss:	(94,882)	(1,004,965)
Interest and other income	16,165	2,741
Interest expense	(1,894)	(855)
	14,271	1,886
Loss before income tax benefit	(80,611)	(1,003,079)
Income tax benefit	9,505	154,708
Loss from discontinued operations, net of tax	<u>\$ (71,106)</u>	<u>\$ (848,371)</u>

***Stock-Based Compensation***

As discussed in Note 17, the Predecessor's Officer Stock Rights Plan enabled officers of the Predecessor to purchase shares of stock. The global commercial business recorded stock-based compensation expense of \$427.3 million in general and administrative expense related to the acceleration of stock rights and shadow stock units, and \$541.8 million for the mark-up of redeemable common stock during the four months ended July 31, 2008. The value of the accelerated stock rights and the redeemable common stock was determined using the price per share paid in the Merger Transaction.

***Defined Contribution Plans***

As discussed in Note 14, the Company has a defined contribution plan. Total expense under ECAP related to the global commercial business was \$34.3 million and \$7.6 million for fiscal 2008 and four months ended July 31, 2008, respectively.

***Defined Benefit Plan and Other Postretirement Benefit Plans***

The Predecessor recognized total pension expense of \$4.6 million and \$500,000, and total postretirement expense of zero and \$1.8 million, for its U.S. employees as a component of loss from discontinued operations for fiscal 2008 and four months ended July 31, 2008, respectively.

The officers and professional staff of the Predecessor employed in Germany were covered by a defined benefit pension plan, (the "Non-U.S. Plan"). As stipulated in the Merger Agreement, the Company is not liable for the pension obligations associated with the German Pension Plan. The Predecessor recognized total pension expense for the Non-U.S. Plan as a component of loss from discontinued operations of \$29.7 million and \$8.9 million for fiscal 2008 and four months ended July 31, 2008, respectively.

These plans were transferred to Booz & Company as new plans as part of the Merger Transaction.



**BOOZ ALLEN HAMILTON HOLDING CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

***Lease Obligations***

Rent expense related to the global commercial business, net of sublease income, was \$30.3 million and \$10.5 million for fiscal 2008 and four months ended July 31, 2008, respectively.

**25. SUBSEQUENT EVENTS**

The Company has evaluated subsequent events through June 18, 2010, the date upon which the consolidated financial statements were available to be issued. No material subsequent events have occurred since March 31, 2010 that require recognition or disclosure in these consolidated financial statements.

Through and including \_\_\_\_\_, 2010 (25 days after the date of this prospectus), all dealers that buy, sell or trade our Class A common stock, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

Shares  
**Booz | Allen | Hamilton**  
Class A Common Stock

PROSPECTUS

\_\_\_\_\_  
\_\_\_\_\_  
**Morgan Stanley**

\_\_\_\_\_  
**BofA Merrill Lynch**  
\_\_\_\_\_  
\_\_\_\_\_

**Barclays Capital**

**Credit Suisse**

**Stifel Nicolaus**

**BB&T Capital Markets   Lazard Capital Markets   Raymond James**

, 2010

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**PART II**  
**INFORMATION NOT REQUIRED IN PROSPECTUS**

**Item 13. Other Expenses of Issuance and Distribution.**

The following table sets forth the costs and expenses, other than the underwriting discount, payable by our company in connection with the sale of Class A common stock being registered. All amounts are estimates except the SEC registration fee and the FINRA filing fees.

SEC registration fee	\$ 21,390
FINRA filing fee	\$ 30,500
Stock Exchange listing fee	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Blue Sky fees and expenses (including legal fees)	*
Transfer agent and registrar fees and expenses	*
Miscellaneous	*
Total	*

\* To be filed by amendment.

**Item 14. Indemnification of Directors and Officers.**

*Delaware General Corporation Law.* Section 145(a) of the Delaware General Corporation Law provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the person's conduct was unlawful.

Section 145(b) of the Delaware General Corporation Law states that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which the person shall have been adjudged to be liable to the corporation unless and only to the extent that the Delaware Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, the

person is fairly and reasonably entitled to indemnity for such expenses as the Delaware Court of Chancery or such other court shall deem proper.

Section 145(c) of the Delaware General Corporation Law provides that to the extent that a present or former director or officer of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (a) and (b) of Section 145, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

Section 145(d) of the Delaware General Corporation Law states that any indemnification under subsections (a) and (b) of Section 145 (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the present or former director, officer, employee or agent is proper in the circumstances because the person has met the applicable standard of conduct set forth in subsections (a) and (b) of Section 145. Such determination shall be made with respect to a person who is a director or officer at the time of such determination (1) by a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, (2) by a committee of such directors designated by majority vote of such directors, even though less than a quorum, (3) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion or (4) by the stockholders.

Section 145(f) of the Delaware General Corporation Law states that the indemnification and advancement of expenses provided by, or granted pursuant to, the other subsections of Section 145 shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office.

Section 145(g) of the Delaware General Corporation Law provides that a corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity or arising out of such person's status as such, whether or not the corporation would have the power to indemnify such person against such liability under the provisions of Section 145.

Section 145(j) of the Delaware General Corporation Law states that the indemnification and advancement of expenses provided by, or granted pursuant to, Section 145 shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

*Certificate of Incorporation.* Our company's amended and restated certificate of incorporation filed as Exhibit 3.1 hereto provides that our company's directors will not be personally liable to our company or its stockholders for monetary damages resulting from a breach of their fiduciary duties as directors. However, nothing contained in such provision will eliminate or limit the liability of directors (1) for any breach of the director's duty of loyalty to our company or its stockholders, (2) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law, (3) under Section 174 of the Delaware General Corporation Law or (4) for any transaction from which the director derived an improper personal benefit.

*Bylaws.* Our company's amended and restated bylaws provide for the indemnification of the officers and directors of our company to the fullest extent permitted by the Delaware General Corporation Law. The bylaws provide that each person who was or is made a party to, or is threatened to be made a party to, any civil, criminal, administrative or investigative action, suit or proceeding by reason of the fact that such person is or was a director or officer of our company shall be indemnified and held harmless by our company to the fullest extent authorized by the Delaware General Corporation Law against all expense, liability and loss, including, without limitation, attorneys' fees, incurred by such person in connection therewith, if such person satisfied the applicable standards of conduct set forth in the Delaware General Corporation Law.

*Insurance.* Our company maintains directors' and officers' liability insurance, which covers directors and officers of our company against certain claims or liabilities arising out of the performance of their duties.

*Indemnification Agreements.* Our company intends to enter into agreements to indemnify its directors and executive officers. These agreements will provide for indemnification of our company's directors and executive officers to the fullest extent permitted by the Delaware General Corporation Law against all expenses, including attorneys' fees, judgments, fines and settlement amounts incurred by any such person in actions or proceedings, including actions by our company or in its right, arising out of such person's services as a director or executive officer of our company, any subsidiary of our company or any other company or enterprise to which the person provided services at our company's request.

*Underwriting Agreement.* Our company's underwriting agreement with the underwriters will provide for the indemnification of the directors and officers of our company against specified liabilities related to this prospectus under the Securities Act in certain circumstances.

**Item 15. Recent Sales of Unregistered Securities.**

On May 15, 2008, we sold 1,000 shares of common stock to Carlyle Partners V US, L.P. for aggregate consideration of \$10.00.

In connection with the Acquisition, on July 30, 2008 we issued 9,565,000 shares of our Class A common stock to Explorer Coinvest LLC for \$956.5 million and issued (i) 564,187 shares of our Class A common stock, (ii) 237,864 shares of our Class B non-voting common stock, (iii) 202,827 shares of our Class C restricted common stock, (iv) 1,480,288 shares of our Class E special voting common stock and (v) options to purchase 1,480,292 shares of our Class A common stock, in each case, to employees and former employees in exchange for stock and options in the Predecessor.

In addition to the transactions described above, during the fiscal year ended March 31, 2009, we issued (i) 1,500 shares of our Class A common stock to two employees for aggregate consideration of \$150,000 and (ii) 2,500 shares of our Class B non-voting common stock to a former employee for aggregate consideration of \$250,000.

During the fiscal year ended March 31, 2010, we issued (i) 158,696 shares of our Class A common stock to certain officers and other employees in connection with the exercise of options for aggregate consideration of \$1,388,100 and (ii) 1,907 shares of our Class A common stock to certain directors in lieu of payment of fees for their service as directors.

During the first quarter of fiscal 2011, we issued (i) 7,810 shares of our Class A common stock to an officer and a director for aggregate consideration of \$999,914, (ii) 31,383 shares of our Class A common stock to certain officers and other employees in connection with the exercise of options for aggregate consideration of \$1,340,368, (iii) 1,173 of our Class A common stock to certain directors in lieu of payment of fees for their service as directors, and (iv) 70,293 shares of our Class E special voting common stock to a family trust of an officer for aggregate consideration of \$2,109.

The issuances described above were exempt from the registration requirements of the Securities Act pursuant to Section 4(2) of the Securities Act, Regulation D of the Securities Act or Item 701 under the Securities Act. There were no underwriters involved in connection with the issuance of these securities.

**Item 16. Exhibits and Financial Statement Schedules.**

(a) The following exhibits are filed herewith:

<u>Exhibit No.</u>	<u>Description</u>
1.1*	Form of Underwriting Agreement
2.1	Agreement and Plan of Merger, dated as of May 15, 2008, by and among Booz Allen Hamilton Inc., Booz Allen Hamilton Holding Corporation (formerly known as Explorer Holding Corporation), Booz Allen Hamilton Investor Corporation (formerly known as Explorer Investor Corporation), Explorer Merger Sub Corporation and Booz & Company Inc.

Exhibit No.	Description
2.2	Spin Off Agreement, dated as of May 15, 2008, by and among Booz Allen Hamilton Inc., Booz & Company Holdings, LLC, Booz & Company Inc., Booz & Company Intermediate I Inc. and Booz & Company Intermediate II Inc.
2.3	Amendment to the Agreement and Plan of Merger and the Spin Off Agreement, dated as of July 30, 2008, by and among Booz Allen Hamilton Inc., Booz Allen Hamilton Investor Corporation (formerly known as Explorer Investor Corporation), Explorer Merger Sub Corporation, Booz & Company Holdings, LLC, Booz & Company Inc., Booz & Company Intermediate I Inc. and Booz & Company Intermediate II Inc.
3.1*	Form of Amended and Restated Certificate of Incorporation of Booz Allen Hamilton Holding Corporation
3.2*	Form of Amended and Restated Bylaws of Booz Allen Hamilton Holding Corporation
4.1*	Guarantee and Collateral Agreement, among Booz Allen Hamilton Investor Corporation (formerly known as Explorer Investor Corporation), Explorer Merger Sub Corporation as the Initial Borrower, Booz Allen Hamilton Inc., as the Surviving Borrower, and the Subsidiary Guarantors party thereto, in favor of Credit Suisse, as Collateral Agent, dated as of July 31, 2008
4.2	Guarantee Agreement, among Booz Allen Hamilton Investor Corporation (formerly known as Explorer Investor Corporation), Explorer Merger Sub Corporation as the Initial Borrower, Booz Allen Hamilton Inc., as the Surviving Borrower, and the Subsidiary Guarantors party thereto, and Credit Suisse, as Administrative Agent, dated as of July 31, 2008
4.3*	Form of Amended and Restated Stockholders Agreement
4.4*	Form of Stock Certificate
5.1*	Opinion of Debevoise & Plimpton LLP
10.1	Credit Agreement, among Booz Allen Hamilton Investor Corporation (formerly known as Explorer Investor Corporation), Booz Allen Hamilton Inc., as the Borrower, the several lenders from time to time parties thereto, Credit Suisse AG, Cayman Islands Branch (formerly known as Credit Suisse), as Administrative Agent and Collateral Agent, Credit Suisse AG, Cayman Islands Branch (formerly known as Credit Suisse), as Issuing Lender, Banc of America Securities LLC and Credit Suisse Securities (USA) LLC, as Joint Lead Arrangers, and Banc of America Securities LLC, Credit Suisse Securities (USA) LLC, Barclays Capital, Goldman Sachs Credit Partners L.P., and Morgan Stanley Senior Funding, Inc., as Joint Bookrunners and Sumitomo Mitsui Banking Corporation, as Co-Manager, dated as of July 31, 2008
10.2	First Amendment to Credit Agreement, dated as of December 8, 2009
10.3	Mezzanine Credit Agreement, among Booz Allen Hamilton Investor Corporation (formerly known as Explorer Investor Corporation), Explorer Merger Sub Corporation as the Initial Borrower, Booz Allen Hamilton Inc. as the Surviving Borrower, the several lenders from time to time parties thereto, Credit Suisse as Administrative Agent, and Credit Suisse Securities (USA) LLC, Banc of America Securities LLC and Lehman Brothers Inc., as Joint Lead Arrangers and Joint Bookrunners, dated as of July 31, 2008
10.4	First Amendment to Mezzanine Credit Agreement, dated as of July 23, 2009
10.5	Second Amendment to Mezzanine Credit Agreement, dated as of December 7, 2009
10.6	Management Agreement, among Booz Allen Hamilton Holding Corporation (formerly known as Explorer Holding Corporation), Booz Allen Hamilton Inc., and TC Group V US, LLC, dated as of July 31, 2008.
10.7*	Amended and Restated Equity Incentive Plan of Booz Allen Hamilton Holding Corporation†
10.8*	Booz Allen Hamilton Holding Corporation Officers' Rollover Stock Plan†
10.9*	Form of Booz Allen Hamilton Holding Corporation Rollover Stock Option Agreement†
10.10*	Form of Stock Option Agreement under the Equity Incentive Plan of Booz Allen Hamilton Holding Corporation†
10.11*	Form of Stock Option Agreement under the Equity Incentive Plan of Booz Allen Hamilton Holding Corporation†
10.12*	Form of Stock Option Agreement for Directors under the Equity Incentive Plan of Booz Allen Hamilton Holding Corporation†

Exhibit No.	Description
10.13*	Form of Restricted Stock Agreement for Directors under the Equity Incentive Plan of Booz Allen Hamilton Holding Corporation†
10.14*	Form of Restricted Stock Agreement for Employees under the Equity Incentive Plan of Booz Allen Hamilton Holding Corporation†
10.15*	Booz Allen Hamilton Holding Corporation Annual Incentive Plan†
10.16*	Booz Allen Hamilton Holding Corporation Officers' Retirement Plan†
10.17*	Indemnity Medical Plan†
10.18*	Dental Plan†
10.19*	Executive Medical Plan†
10.20*	Group Variable Universal Life Insurance†
10.21*	Group Personal Excess Liability Insurance†
10.22*	U.S. Retired Officer Medical and Dental Insurance†
10.23*	Annual Performance Program†
10.24*	Excess ECAP Payment Programs†
10.25*	Form of Subscription Agreement†
21.1	List of Subsidiaries
23.1*	Consent of Debevoise & Plimpton LLP (included in Exhibit 5.1)
23.2	Consent of Ernst & Young LLP, Independent Auditors
24.1	Powers of Attorney

\* To be filed by amendment.

† Indicates management compensation plan.

(b) Financial Statement Schedules:

**Item 17. Undertakings.**

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act, and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the Booz Allen Hamilton Holding Corporation has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in McLean, Virginia, on this 21 day of June, 2010.

BOOZ ALLEN HAMILTON HOLDING CORPORATION

By: /s/ CG Appleby  
Name: CG Appleby  
Title: Executive Vice President, General Counsel and Secretary

**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
* _____ Ralph W. Shrader	President, Chief Executive Officer and Director (Principal Executive Officer)	June 21, 2010
* _____ Samuel R. Strickland	Executive Vice President, Chief Financial Officer, Chief Administrative Officer and Director (Principal Financial and Accounting Officer)	June 21, 2010
* _____ Daniel F. Akerson	Director	June 21, 2010
* _____ Peter Clare	Director	June 21, 2010
* _____ Ian Fujiyama	Director	June 21, 2010
* _____ Philip A. Odeen	Director	June 21, 2010
* _____ Charles O. Rossotti	Director	June 21, 2010
*By: <u>/s/ CG Appleby</u> CG Appleby Attorney-in-Fact		



## EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
1.1*	Form of Underwriting Agreement
2.1	Agreement and Plan of Merger, dated as of May 15, 2008, by and among Booz Allen Hamilton Inc., Booz Allen Hamilton Holding Corporation (formerly known as Explorer Holding Corporation), Booz Allen Hamilton Investor Corporation (formerly known as Explorer Investor Corporation), Explorer Merger Sub Corporation and Booz & Company Inc.
2.2	Spin Off Agreement, dated as of May 15, 2008, by and among Booz Allen Hamilton Inc., Booz & Company Holdings, LLC, Booz & Company Inc., Booz & Company Intermediate I Inc. and Booz & Company Intermediate II Inc.
2.3	Amendment to the Agreement and Plan of Merger and the Spin Off Agreement, dated as of July 30, 2008, by and among Booz Allen Hamilton Inc., Booz Allen Hamilton Investor Corporation (formerly known as Explorer Investor Corporation), Explorer Merger Sub Corporation, Booz & Company Holdings, LLC, Booz & Company Inc., Booz & Company Intermediate I Inc. and Booz & Company Intermediate II Inc.
3.1*	Form of Amended and Restated Certificate of Incorporation of Booz Allen Hamilton Holding Corporation
3.2*	Form of Amended and Restated Bylaws of Booz Allen Hamilton Holding Corporation
4.1*	Guarantee and Collateral Agreement, among Booz Allen Hamilton Investor Corporation (formerly known as Explorer Investor Corporation), Explorer Merger Sub Corporation as the Initial Borrower, Booz Allen Hamilton Inc., as the Surviving Borrower, and the Subsidiary Guarantors party thereto, in favor of Credit Suisse, as Collateral Agent, dated as of July 31, 2008
4.2	Guarantee Agreement, among Booz Allen Hamilton Investor Corporation (formerly known as Explorer Investor Corporation), Explorer Merger Sub Corporation as the Initial Borrower, Booz Allen Hamilton Inc., as the Surviving Borrower, and the Subsidiary Guarantors party thereto, and Credit Suisse, as Administrative Agent, dated as of July 31, 2008
4.3*	Form of Amended and Restated Stockholders Agreement
4.4*	Form of Stock Certificate
5.1*	Opinion of Debevoise & Plimpton LLP
10.1	Credit Agreement, among Booz Allen Hamilton Investor Corporation (formerly known as Explorer Investor Corporation), Booz Allen Hamilton Inc., as the Borrower, the several lenders from time to time parties thereto, Credit Suisse AG, Cayman Islands Branch (formerly known as Credit Suisse), as Administrative Agent and Collateral Agent, Credit Suisse AG, Cayman Islands Branch (formerly known as Credit Suisse), as Issuing Lender, Banc of America Securities LLC and Credit Suisse Securities (USA) LLC, as Joint Lead Arrangers, and Banc of America Securities LLC, Credit Suisse Securities (USA) LLC, Barclays Capital, Goldman Sachs Credit Partners L.P., and Morgan Stanley Senior Funding, Inc., as Joint Bookrunners and Sumitomo Mitsui Banking Corporation, as Co-Manager, dated as of July 31, 2008
10.2	First Amendment to Credit Agreement, dated as of December 8, 2009
10.3	Mezzanine Credit Agreement, among Booz Allen Hamilton Investor Corporation (formerly known as Explorer Investor Corporation), Explorer Merger Sub Corporation as the Initial Borrower, Booz Allen Hamilton Inc. as the Surviving Borrower, the several lenders from time to time parties thereto, Credit Suisse as Administrative Agent, and Credit Suisse Securities (USA) LLC, Banc of America Securities LLC and Lehman Brothers Inc., as Joint Lead Arrangers and Joint Bookrunners, dated as of July 31, 2008
10.4	First Amendment to Mezzanine Credit Agreement, dated as of July 23, 2009
10.5	Second Amendment to Mezzanine Credit Agreement, dated as of December 7, 2009
10.6	Management Agreement, among Booz Allen Hamilton Holding Corporation (formerly known as Explorer Holding Corporation), Booz Allen Hamilton Inc., and TC Group V US, LLC, dated as of July 31, 2008.
10.7*	Amended and Restated Equity Incentive Plan of Booz Allen Hamilton Holding Corporation†
10.8*	Booz Allen Hamilton Holding Corporation Officers' Rollover Stock Plan†
10.9*	Form of Booz Allen Hamilton Holding Corporation Rollover Stock Option Agreement†

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Exhibit No.	Description
10.10*	Form of Stock Option Agreement under the Equity Incentive Plan of Booz Allen Hamilton Holding Corporation†
10.11*	Form of Stock Option Agreement under the Equity Incentive Plan of Booz Allen Hamilton Holding Corporation†
10.12*	Form of Stock Option Agreement for Directors under the Equity Incentive Plan of Booz Allen Hamilton Holding Corporation†
10.13*	Form of Restricted Stock Agreement for Directors under the Equity Incentive Plan of Booz Allen Hamilton Holding Corporation†
10.14*	Form of Restricted Stock Agreement for Employees under the Equity Incentive Plan of Booz Allen Hamilton Holding Corporation†
10.15*	Booz Allen Hamilton Holding Corporation Annual Incentive Plan†
10.16*	Booz Allen Hamilton Holding Corporation Officers' Retirement Plan†
10.17*	Indemnity Medical Plan†
10.18*	Dental Plan†
10.19*	Executive Medical Plan†
10.20*	Group Variable Universal Life Insurance†
10.21*	Group Personal Excess Liability Insurance†
10.22*	U.S. Retired Officer Medical and Dental Insurance†
10.23*	Annual Performance Program†
10.24*	Excess ECAP Payment Programs†
10.25*	Form of Subscription Agreement†
21.1	List of Subsidiaries
23.1*	Consent of Debevoise & Plimpton LLP (included in Exhibit 5.1)
23.2	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm
24.1	Powers of Attorney

\* To be filed by amendment.

† Indicates management compensation plan.

AGREEMENT AND PLAN OF MERGER

by and among

BOOZ ALLEN HAMILTON INC.,  
EXPLORER HOLDING CORPORATION,  
EXPLORER INVESTOR CORPORATION,  
EXPLORER MERGER SUB CORPORATION

and

BOOZ & COMPANY INC.  
As Seller Representative

May 15, 2008

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Exhibit G	Form of Discretionary Rolling Stockholder Exchange Agreement
Exhibit H	Form of Newco Guarantees
Exhibit I	Merger Sub Bylaws
Exhibit J	Form of Amended and Restated Buyer Parent Certificate of Incorporation
Exhibit K	Pre-Closing Restructuring

## AGREEMENT AND PLAN OF MERGER

This AGREEMENT AND PLAN OF MERGER (this "Agreement") is made and entered into this 15<sup>th</sup> day of May, 2008, by and among Booz Allen Hamilton Inc., a Delaware corporation (the "Company"), Explorer Holding Corporation, a Delaware corporation ("Buyer Parent"), Explorer Investor Corporation, a Delaware corporation wholly owned by Buyer Parent ("Buyer"), Explorer Merger Sub Corporation, a Delaware corporation wholly owned by Buyer ("Merger Sub"), and Newco (defined below), in its capacity as Seller Representative (defined below).

WHEREAS, as of the date of this Agreement, the Company is engaged in (i) the U.S. Government Business (as defined below), directly and indirectly through ASE, Inc., a Delaware corporation, Booz Allen Transportation, Inc., a New York corporation, Aestix, Inc., a Delaware corporation, Aestix (UK) Ltd., a company organized in the United Kingdom, PAR Technology de Venezuela, S.R.L., a company organized in Venezuela, Applied Research de Venezuela, S.R.L., a company organized in Venezuela, and Business Operations Research de Venezuela S.R.L., a company organized in Venezuela (together with ASE, Inc., Booz Allen Transportation, Inc., Aestix, Inc., Aestix (UK) Ltd., PAR Technology de Venezuela, S.R.L. and Applied Research de Venezuela, S.R.L., the "U.S. Government Subsidiaries"), and (ii) the businesses of the Company and its Subsidiaries other than the U.S. Government Business (the "Other Businesses"), directly and indirectly through its Subsidiaries other than the U.S. Government Subsidiaries (the "Other Subsidiaries");

WHEREAS, concurrently with the execution of this Agreement, certain of the Rolling Stockholders (defined below) are entering into Exchange Agreements, dated as of the date hereof, with Buyer Parent (the "Existing Exchange Agreements"), pursuant to which, on the calendar day preceding the Merger (the "Exchange Date"), but after the Record Date, such Rolling Stockholders will exchange certain Company Shares for Exchange Equity;

WHEREAS, subsequent to the date hereof, it is anticipated that other Rolling Stockholders may enter into Additional Rolling Stockholder Exchange Agreements pursuant to which, on the Exchange Date, but after the Record Date and prior to the Acceleration, such Rolling Stockholders will exchange certain Company Shares for Exchange Equity (such exchanges, together with the exchanges pursuant to the Existing Exchange Agreements, the "Initial Exchanges");

WHEREAS, following the effective time of the Initial Exchanges on the Exchange Date, the Company shall cause the Acceleration (defined below) to occur pursuant to which all French Free Share Rights held by Sellers and all Company Stock Rights held by Sellers other than Merger Rolling Stockholders shall vest and be exercised for Company Class A Shares and all Shadow Stock Units shall vest;

WHEREAS, certain Discretionary Rolling Stockholders (defined below) may enter into Discretionary Rolling Stockholder Exchange Agreements pursuant to which, on the Exchange Date, but after the Record Date and after the Acceleration, such Discretionary Rolling Stockholders will exchange certain Company Shares for Exchange Equity (the "Subsequent Exchanges");

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WHEREAS, the Company shall (i) prior to the Effective Time, pursuant to that certain Spin Off Agreement, dated as of the date hereof, by and between the Company and Booz & Company Holdings, LLC, a Delaware limited liability company and a wholly owned subsidiary of the Company ("Newco LLC"), Booz & Company Inc., a Delaware corporation and a wholly owned subsidiary of the Company ("Newco"), Booz & Company Intermediate I Inc., a Delaware corporation and a wholly owned subsidiary of Newco ("Newco 2"), and Booz & Company Intermediate II Inc., a Delaware corporation and a wholly owned subsidiary of Newco 2 ("Newco 3"), and attached hereto as Exhibit A (the "Spin Off Agreement"), (a) transfer, or cause to be transferred to Newco LLC certain of the assets, properties, employees, rights and interests of the Company (including stock in the Other Subsidiaries other than Newco, Newco 2, Newco 3, Newco LLC, Booz Allen Hamilton AB, a Swedish company and a wholly owned subsidiary of the Company ("BAH Sweden") and Booz Allen Strategy Partners, Inc., a Delaware corporation and a wholly owned subsidiary of the Company ("BASP")), and certain of the liabilities of the Company (the "Contribution") and (ii) prior to the Effective Time, on the Closing Date, (a) sell all of the Equity Interests in Newco LLC, BAH Sweden and BASP to Newco 3 (the "Sale") and (b) thereafter distribute to the Company Stockholders on the Record Date (as defined below), all of the shares (the "Newco Shares") of capital common stock of Newco (the "Spin Off"); and

WHEREAS, the Board of Directors of the Company and the Board of Directors of each of Buyer Parent, Buyer and Merger Sub deem it advisable and in the best interests of their respective stockholders to consummate the Merger (as defined below and, together with the Contribution, the Sale, the Spin Off, the Exchanges (defined below), the Acceleration and the other transactions contemplated by this Agreement and the Ancillary Agreements, the "Transactions") immediately following the Spin Off on the terms and subject to the conditions set forth in this Agreement, and the Board of Directors of the Company and the Board of Directors of each of Buyer Parent, Buyer and Merger Sub have approved this Agreement and declared its advisability and, in the case of the Board of Directors of the Company, recommended that this Agreement be adopted by the Company Stockholders (defined below).

NOW, THEREFORE, in consideration of the premises and promises contained herein, and intending to be legally bound, the parties hereto agree as set forth below.

## ARTICLE 1 DEFINITIONS

### 1.1 Definitions.

(a) As used herein, the following terms have the meanings set forth below:

"Acceleration Exercise Price" means, with respect to each Company Stockholder or holder of a French Free Share Right, the exercise price payable to the Company upon exercise of a Company Stock Right or French Free Share Right for Company Class A Shares pursuant to the Acceleration.

"Acquisition Proposal" means, other than the Transactions, any offer or proposal regarding any of the following: (a) the acquisition by a Third Party of beneficial ownership (as defined in Rule 13d-3 as promulgated by the SEC under the Exchange Act) of Equity Interests

representing more than a twenty percent (20%) voting or economic interest in the Company, whether from the Company or pursuant to a tender offer or exchange offer or otherwise, (b) a merger, consolidation, business combination, reorganization, recapitalization or similar transaction involving the Company or any U.S. Government Subsidiary, (c) a liquidation or dissolution of the Company or any U.S. Government Subsidiary, or (d) any sale, lease, exchange or other disposition of assets (including the sale, lease, exchange or other disposition of Equity Interests in one or more U.S. Government Subsidiaries) that would result in a Third Party acquiring, directly or indirectly, more than twenty percent (20%) of the fair market value on a combined basis of the assets of the U.S. Government Business immediately prior to such transaction.

“Additional Cash Contribution” has the meaning set forth in the Spin Off Agreement.

“Additional Exchange Agreements” means the Additional Rolling Stockholder Exchange Agreements and the Discretionary Rolling Stockholder Exchange Agreements.

“Additional Rolling Stockholder Exchange Agreements” means the exchange agreements entered into by and between Buyer Parent, on the one hand, and the Rolling Stockholders, on the other hand, in accordance with Section 8.9.

“Affiliate” means, with respect to any Person, any other Person, directly or indirectly, controlling, controlled by, or under common control with, such first Person. For purposes of this definition, the term “control” (including the correlative terms “controlling”, “controlled by” and “under common control with”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“Aggregate Acceleration Exercise Price” means, collectively, the Acceleration Exercise Price payable to the Company upon exercise of all Company Stock Rights and French Free Share Rights pursuant to the Acceleration.

“Aggregate Class B Stock Consideration” shall mean the product of \$0.25 and the number of Company Class B Common Shares issued and outstanding immediately prior to the Effective Time (including shares canceled in accordance with clause (ii) of Section 3.2 and Dissenting Shares).

“Ancillary Agreements” means the Spin Off Agreement, the Exchange Agreements, the Option Agreements, the Stockholders Agreement, the Escrow Agreement and the Ancillary Agreements (as defined in the Spin Off Agreement).

“Antitrust Laws” means the Sherman Antitrust Act, the Clayton Antitrust Act, the HSR Act, the Federal Trade Commission Act and all other similar federal, state and foreign Laws that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restriction of trade or business or competition through merger or acquisition, each as amended.

“Applicable Prepayment Percentage” means, with respect to any Public Offering, the amount, if any, by which (i) the percentage (which shall not be greater than 100) equivalent to a

fraction, (I) the numerator of which (which shall not be less than zero) is (x) the number (the “Closing Date Buyer Share Number”) of shares of common stock of Buyer Parent owned directly or indirectly by the Guarantor and its Affiliates immediately following the Closing minus (y) the number of shares of common stock of Buyer Parent owned directly or indirectly by the Guarantor and its Affiliates immediately after the consummation of such Public Offering plus (z) the number of shares, if any, acquired from any Person other than the Company, and (II) the denominator of which is the Closing Date Buyer Share Number, in each case as adjusted for any stock splits, stock dividends, combinations and similar transactions, exceeds (ii) the sum of the Applicable Prepayment Percentages for all prior Public Offerings.

“Business Day” means any day, other than a Saturday, Sunday or one on which banks are authorized by Law to be closed in New York, New York.

“Buyer Material Adverse Effect” means any result, occurrence, condition, fact, change, violation, event or effect that, individually or in the aggregate with any such other results, occurrences, conditions, facts, changes, violations, events or effects, prevents or materially impairs the ability of Buyer Parent, Buyer or Merger Sub to consummate, the Merger or the other Transactions in accordance with the terms hereof and the terms of the Exchange Agreements.

“Buyer Parent Common Stock” means shares of Buyer Parent Class A Common Stock, par value \$0.01 per share.

“Buyer Parent Non-Voting Common Stock” means shares of Buyer Parent Class B Common Stock, par value \$0.01 per share.

“Buyer Parent Options” means options, issued as Merger Consideration pursuant to this Agreement or issued in an Exchange, to purchase shares of Buyer Parent Common Stock pursuant to an Option Agreement and the Buyer Parent Rollover Stock Plan.

“Buyer Parent Rollover Stock Plan” means Explorer Holding Corporation Officers Rollover Stock Plan adopted by Buyer Parent and effective as of the Closing Date.

“Buyer Parent Securities” means Buyer Parent Common Stock, Buyer Parent Non-Voting Common Stock, Buyer Parent Restricted Stock, Buyer Parent Special Voting Stock, Merger Rolling Stockholder Stock and Buyer Parent Options.

“Buyer Parent Special Voting Stock” means shares of Buyer Parent Class E Common Stock, par value \$0.03 per share.

“Cash Consideration” means the portion of the Aggregate Consideration payable in cash pursuant to Article 3.

“Change of Control” (i) has the meaning that such term (or a term of similar import) is given in the instrument governing the longest dated debt under the Debt Financing and (ii) also means a sale of all or substantially all of the assets of Buyer and its Subsidiaries, taken as a whole.

“Code” means the U.S. Internal Revenue Code of 1986, as amended, together with the rules and regulations promulgated thereunder.

“Company Class A Non-Voting Common Shares” means shares of Class A Non-Voting Common Stock of the Company, par value \$0.25 per share.

“Company Class A Shares” means Company Common Shares and Company Class A Non-Voting Common Shares.

“Company Class B Common Shares” means shares of Class B Common Stock of the Company, par value \$0.25 per share.

“Company Class B Non-Voting Common Shares” means shares of Class B Non-Voting Common Stock of the Company, par value \$0.25 per share.

“Company Class B Shares” means Company Class B Common Shares and Company Class B Non-Voting Common Shares.

“Company Common Shares” means shares of Common Stock of the Company, par value \$0.25 per share.

“Company Employee” means (a) all employees of the Company or any U.S. Government Subsidiary employed as of the Effective Time (including any such employee on disability or other approved leave of absence as of such date); and (b) all individuals formerly employed by the Company and its Subsidiaries, in each case, whose employment primarily related to the U.S. Government Business. For the avoidance of doubt, Company Employee shall not include any Newco Employee (as defined in the Spin Off Agreement).

“Company Material Adverse Effect” means (a) a material adverse effect on the business, financial condition or results of operations of the U.S. Government Business, taken as a whole; provided, however, that, in determining whether there has been a Company Material Adverse Effect or whether a Company Material Adverse Effect would be reasonably likely to occur, clause (a) of this definition shall exclude any effect to the extent arising out of, attributable to or resulting from:

(i) any change in Law or GAAP or interpretation of any thereof;

(ii) (A) any public announcement by Buyer Parent, Buyer, or Merger Sub or any of their respective Representatives prior to the date of this Agreement of discussions among the parties hereto regarding the Transactions, (B) the public announcement of or the execution of this Agreement, any Ancillary Agreement or any Transaction, or (C) the pendency or the consummation of the Transaction; except that any such result, occurrence, condition, fact, change, violation, event or effect described in subsection (ii)(B) or (C) will be considered in determining whether there has been a Company Material Adverse Effect, or whether a Company Material Adverse Effect would be reasonably likely to occur, in respect of Sections 4.3 and 4.4;

(iii) actions or inactions specifically permitted by a written waiver by Buyer to the extent those effects were specifically described to Buyer in advance of such waiver or were otherwise reasonably foreseeable effects of the actions or inactions that were the subject of such waiver;

(iv) performance by the Company of any of its obligations under this Agreement (other than its obligations pursuant to Section 6.1), including the failure to take any action expressly prohibited by this Agreement (other than actions expressly prohibited by Section 6.1); except that any such result, occurrence, condition, fact, change, violation, event or effect described in this clause (iv) will be considered in determining whether there has been a Company Material Adverse Effect, or whether a Company Material Adverse Effect would be reasonably likely to occur, in respect of Sections 4.3 and 4.4;

(v) general economic or financial market conditions affecting the United States or world economy or the United States or global financial markets, except to the extent such conditions arise from any outbreak or escalation of hostilities (including any declaration of war by the U.S. Congress) or acts of terrorism; or

(vi) any expenses incurred in connection with the negotiation, documentation and execution of this Agreement or any Ancillary Agreement, the actions required by this Agreement or the consummation of the Transactions to the extent such expenses are paid by the Company on or prior to the Closing Date or reflected in the calculation of Closing Date Working Capital;

except, in the case of any such result, occurrence, condition, fact, change, violation, event or effect described in subsection (a)(i) or (a)(v), to the extent such change, relative to the other similar participants in the Government Contracting Industry, disproportionately impacts the U.S. Government Business; or

(b) any result, occurrence, condition, fact, change, violation, event or effect that, individually or in the aggregate with any such other results, occurrences, conditions, facts, changes, violations, events or effects, prevents or materially impairs the ability of the Company or Newco, Newco LLC, Newco 2 or Newco 3 (in the case of the Spin Off, the Sale and the Contribution) to consummate the Merger or the other Transactions in accordance with the terms hereof and the terms of the Ancillary Agreements.

“Company Shares” means all of the Company Common Shares, Company Class A Non-Voting Common Shares, Company Class B Common Shares, Company Class B Non-Voting Common Shares and Company Stock Rights.

“Company Stock Right” means a right, whether or not vested, to purchase one Company Common Share under the Stock Rights Plan.

“Company Stockholders” means the holders of Company Shares.

“Company Subsidiary” means a direct or indirect Subsidiary of the Company or any of its Subsidiaries.

“Company Transaction Expenses” means (i) any and all costs and expenses of the Company and the Company Subsidiaries incurred on or prior to, and unpaid as of, the Effective Time in connection with the negotiation, preparation, execution, delivery, performance and consummation of this Agreement, the Spin Off Agreement, the other Ancillary Agreements and the transactions contemplated thereby (including the Commercial Restructuring (as defined in the Spin Off Agreement)), including (1) one-half of all fees and expenses of the Escrow Agent incurred on or prior to, and unpaid as of, the Effective Time (all fees and expenses incurred after the Effective Time being borne by the parties to the Escrow Agreement in accordance with the terms thereof), (2) all third party fees and expenses (other than those payable to the Escrow Agent) of the Company and the Company Subsidiaries (including the Seller Representative) incurred on or prior to, and unpaid as of, the Effective Time in connection with the drafting, negotiation, execution, delivery, performance and consummation of this Agreement, the Spin Off Agreement, the other Ancillary Agreements and the transactions contemplated thereby, including the fees and expenses of the Company’s and the Company Subsidiaries’ investment bankers, brokers, accountants, attorneys, consultants and other professional advisors and representatives, including the fees and expenses of the Exchange Agent, Credit Suisse, Houlihan Lokey, Ernst & Young LLP and Latham & Watkins LLP, (3) all Transition Restructuring Costs of the Company and the U.S. Government Subsidiaries incurred on or prior to, and unpaid as of, the Effective Time, (ii) the Transfer Taxes payable by the Company pursuant to Section 7.3 and (iii) one-half of the Increased Financing Costs; provided, however, that Company Transaction Expenses shall not include any Pre-Closing Taxes, which shall be governed solely by Section 3.7, Section 7.3 and Article 10.

“Confidentiality Agreement” means the letter agreement, dated as of June 7, 2007, between The Carlyle Group and the Company.

“Contract” means any contract, agreement, arrangement, commitment, letter of intent, memorandum of understanding, license, lease, promise, instrument, or other similar understanding, whether written or oral, in each case that is legally binding as of the date in question.

“DCAA Audits” means, collectively, the Defense Contract Audit Agency audits set forth on Schedule 1.1(a).

“DCRIP Facility” means the Existing Credit Facility described in clause (a) of the definition of “Existing Credit Facilities”.

“Debt Financing Shortfall Amount” means one hundred and fifty eight million dollars (\$158,000,000).

“Deemed Principal Amount” means, with respect to any prepayment in respect of the Deferred Obligation Amount, the amount of such prepayment that would have constituted principal on the date of such payment if the full amount of such payment were deemed to have included principal together with the full Interest Component thereon for the period from and after the Closing through the date of such payment.

“Deferred Obligation Amount” means, as of any date, the Debt Financing Shortfall Amount minus the Settled Claims Adjustment Amount and minus any payments in respect of the Deferred Obligation Amount made prior to such date under Section 3.11, plus the Interest Component accreted to such date on the amount of the Deferred Obligation Amount outstanding from time to time.

“Deferred Payment Date” means the earlier of (a) the tenth (10<sup>th</sup>) anniversary of the Closing Date and (b) the later of the date that is (i) six (6) months after the final maturity date of the longest dated debt under the Debt Financing and (ii) eight (8) years and six (6) months from the Closing Date.

“Deferred Payment Holdback” means, as of any date, an amount equal to the lesser of (i) the excess of (x) the Pending Claims Amount over (y) the remaining Indemnification Escrow Funds and (ii) the excess of (I) the Indemnification Sub-Limit over (II) the Settled Claims Amount.

“Discretionary Rolling Stockholder Exchange Agreements” means the exchange agreements entered into by and between Buyer Parent, on the one hand, and the Discretionary Rolling Stockholders, on the other hand, pursuant to Section 8.9.

“Discretionary Rolling Stockholders” means all Company Stockholders (other than the Rolling Stockholders) who hold Company Common Shares and have executed and delivered an Exchange Agreement in accordance with Section 8.9(b).

“DPO Percentage” means, with respect to any Seller, that fraction, stated as a percentage, the numerator of which is an amount equal to the aggregate number of Company Shares (other than Company Class B Shares) held by such Seller, Shadow Stock Units, if any, allocated to such Seller on Schedule 3.5(b) (other than any U.S. Shadow Stock Seller) and French Free Share Rights held by such Seller, in each case, immediately prior to the effective time of the Initial Exchanges, and the denominator of which is the Fully Diluted Stock Amount minus the number of Shadow Stock Units allocated on Schedule 3.5(b) to any U.S. Shadow Stock Seller.

“Employment and Withholding Taxes” means any federal, state, provincial, local, foreign or other employment, unemployment insurance, social security, disability, workers’ compensation, payroll, health care or other similar tax, duty or other governmental charge or assessment or deficiencies thereof and all Taxes required to be withheld by or on behalf of each of the Company and each of the Company Subsidiaries in connection with amounts paid or owing to any employee, independent contractor, creditor or other party, in each case, on or in respect of the business or assets thereof.

“Entry Level Rolling Stockholder” means any Rolling Stockholder designated on Schedule 1.1(b) as an Entry Level partner.

“Environmental Laws” means all Laws relating to the protection of human health or the indoor or outdoor environment (including the quality of the ambient air, soil, surface water or groundwater, or natural resources or the use, generation, management, handling, transport, treatment, disposal, storage, release or threatened release of Materials of Environmental Concern).

“Environmental Permits” means all permits, licenses, registrations, and other authorizations under applicable Environmental Laws.

“Equity Interest” means, with respect to any Person, any and all shares, interests, participations, rights in, or other equivalents (however designated and whether voting or non-voting) of, such Person’s capital stock or other equity interests (including Shadow Stock Units, French Free Share Rights and SCAP Units (and similar instruments), partnership or membership interests in a partnership or limited liability company or any other interest or participation that confers on a Person the right to receive a share of the profits and losses, or distributions of assets, of the issuing Person), whether outstanding on the date hereof or issued after the date hereof.

“Escrow Percentage” means, with respect to any Seller, that fraction, stated as a percentage, the numerator of which is an amount equal to the aggregate number of Company Shares (other than Company Class B Shares) held by such Seller, Shadow Stock Units, if any, allocated to such Seller on Schedule 3.5(b), and French Free Share Rights held by such Seller, in each case, immediately prior to the effective time of the Initial Exchanges, and the denominator of which is the Fully Diluted Stock Amount.

“Estimated NAV Transfer Amount” has the meaning set forth in the Spin Off Agreement.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“Exchange Agreements” means the Existing Exchange Agreements and the Additional Exchange Agreements.

“Exchange Equity” means Buyer Parent Securities issued in an Initial Exchange, Subsequent Exchange, or as Merger Consideration pursuant to this Agreement.

“Exchanges” means, collectively, the exchanges of Company Common Shares or Company Stock Rights for Exchange Equity pursuant to the Initial Exchanges and the Subsequent Exchanges.

“Excluded Assets” has the meaning set forth in the Spin Off Agreement.

“Excluded Liabilities” has the meaning set forth in the Spin Off Agreement.

“Existing Credit Facilities” means (a) the Credit Agreement dated September 8, 2006 among Booz Allen Hamilton, Inc. and the Initial Lenders named therein and JPMorgan Chase Bank, N.A., and Citibank, N.A. and Wachovia Bank, National Association, and Bank of America, N.A. and J.P. Morgan Securities Inc. and Citigroup Global Markets Inc., including the related Assignment and Security Agreement dated September 8, 2006 between Booz Allen Hamilton, Inc., JPMorgan Chase Bank, N.A. and The Bank of New York and (b) the Credit Agreement dated September 8, 2006 among Booz Allen Hamilton, Inc. and the Initial Lenders named therein and Citibank, N.A. and JPMorgan Chase Bank, N.A., and Wachovia Bank, National Association, and Bank of America, N.A. and Citigroup Global Markets Inc and J.P. Morgan Securities Inc.



“Final NAV Transfer Amount” has the meaning set forth in the Spin Off Agreement.

“Financial Statements” means (a) the audited balance sheet of the Company as of March 31, 2006 and March 31, 2007, and the audited statements of income and cash flows of the Company for the fiscal years ended March 31, 2006 and March 31, 2007, in each case, with consolidating schedules for the U.S. Government Business and the Other Businesses, and (b) the unaudited balance sheet of the Company as of December 31, 2007, and the unaudited statements of income and cash flows of the Company for the nine (9) months ended December 31, 2007, in each case, with consolidating schedules for the U.S. Government Business and the Other Businesses.

“Follow-On Claims Amount” means, as of any date of determination following the fifth (5<sup>th</sup>) anniversary of the Closing Date, an amount included in the Pending Claims Amount as of such date of determination equal to the lesser of (I) the sum of the amounts of claims brought under Article 10 following the fifth (5<sup>th</sup>) anniversary of the Closing Date, to the extent such claims remain pending and unresolved, and (II) the sum of the amounts included in the Pending Claims Amount on the fifth (5<sup>th</sup>) anniversary of the Closing Date which (x) related to claims brought under Article 10 and (y) were thereafter resolved in Sellers’ favor.

“French Free Share Plan” means the Booz Allen Hamilton Inc. Officer’s Stock Rights French Plan.

“French Free Share Rights” means Rights, whether or not vested, as defined under the French Free Share Plan.

“Full Share Amount” shall mean the number of Company Shares (other than Company Class B Shares) held by a Rolling Stockholder or a Discretionary Rolling Stockholder immediately prior to the effective time of the Initial Exchanges.

“Fully Diluted Stock Amount” means an amount equal to the sum of the aggregate number of (i) Company Shares (other than Company Class B Shares) issued and outstanding, (ii) French Free Share Rights issued and outstanding and (iii) Shadow Stock Units, if any, allocated to all Shadow Stockholders on Schedule 3.5(b), in each case, as of immediately prior to the effective time of the Initial Exchanges.

“GAAP” means United States generally accepted accounting principles, applied on a consistent basis.

“Governmental Entity” means any federal, state, local, international or foreign governmental authority, or any court, administrative or regulatory agency or commission or other governmental authority, agency or body.

“Government Contract” means any contract (including any order issued under or in connection with the Federal Supply Schedule, a Government-Wide Acquisition Contract, indefinite delivery, indefinite quantity contract, or blanket purchase agreement or similar contracting vehicles, but excluding one time purchase orders issued by non-federal Governmental Entities) that (i) is between the Company or any of the Company Subsidiaries and a United States Governmental Entity (including federal, state or local Governmental Entities) or

(ii) is entered into by the Company or any of the Company Subsidiaries as a subcontractor (at any tier) in connection with a contract between another Person and a United States Governmental Entity (including federal, state or local Governmental Entities).

“Government Contracting Industry” means the business of providing goods or services to United States Governmental Entities (including federal, state or local Governmental Entities) under government contracts.

“Guarantor” means Carlyle Partners V US, L.P.

“Guaranty” means that certain guaranty by Guarantor in favor of the Company dated as of the date hereof pursuant to which Guarantor is guaranteeing certain obligations of Buyer Parent, Buyer and Merger Sub under this Agreement.

“HSR Act” means Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

“Increased Financing Costs” means the lesser of (1) an amount to be agreed and (2) an amount equal to (a)(i) 1.865 multiplied by the sum of the products, for each tranche of debt under the Debt Financing, of (x) the then-applicable interest rate of the Indebtedness under such tranche of the Debt Financing (giving effect, if applicable as of the date of determination, in the case of any Libor-denominated rate, to the greater of (I) any applicable minimum Libor rate (“Libor Floor”) or (II) the then-applicable three-month U.S. Libor rate) multiplied by (y) the aggregate principal amount of the Indebtedness under such tranche of the Debt Financing minus (ii) 1.865 multiplied by the sum of the products, for each tranche of debt under the reference debt financing, as set forth on Schedule 1.1(c), of (x) the interest rate of the Indebtedness under such tranche of the reference debt financing, as set forth on Schedule 1.1(c) (giving effect, in the case of any Libor-denominated rate, to the then-applicable three-month U.S. Libor rate upon the date of determination), multiplied by (y) the aggregate principal amount of the Indebtedness under such tranche of the reference debt financing, as set forth on Schedule 1.1(c), plus (b)(i) the sum of (x) the amount of original issuance discount or like up-front amounts of the Indebtedness under the Debt Financing (measured in dollars) plus (y) any costs to defease a Libor Floor at the then-applicable three-month U.S. Libor for such amounts and such duration of the Libor Floor as may be required by the Debt Financing minus (ii) ten million four hundred thousand dollars (\$10,400,000); provided, however, that “Increased Financing Costs” shall not be less than negative four hundred thousand dollars (\$400,000).

“Indebtedness” means with respect to any Person, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (iii) all obligations of such Person upon which interest charges are customarily paid (other than trade payables incurred in the ordinary course of business), (iv) all obligations of such Person under conditional sale or other title retention agreements relating to any property purchased by such Person, (v) all obligations of such Person incurred or assumed as the deferred purchase price of property or services (excluding obligations of such Person to creditors for trade payables incurred in the ordinary course of business), (vi) all lease obligations of such Person capitalized on the books and records of such Person or that otherwise constitute capital lease obligations under GAAP, (vii) all letters of credit or

performance bonds issued for the account of such Person (excluding (A) letters of credit issued for the benefit of suppliers to support accounts payable to suppliers incurred in the ordinary course of business consistent with past practices, (B) standby letters of credit relating to workers' compensation insurance and (C) surety bonds and customs bonds), provided, that, for the purposes of calculating the Closing Date Indebtedness, the Estimated Closing Date Indebtedness and the Final Closing Date Indebtedness, any such letters of credit and performance bonds (including those set forth in subclauses (vii)(A), (B) and (C) of this definition) shall be considered but only to the extent reimbursement obligations exist for draws made prior to Closing, and (viii) all guaranties and arrangements having the economic effect of a guaranty by such Person of any Indebtedness of any other Person.

"Indemnification Sub-Limit" means eighty million dollars (\$80,000,000), provided, however, that in the event that the PLR Amount was less than \$2,732,000, from and after the fifth (5<sup>th</sup>) anniversary of the Closing Date, the Indemnification Sub-Limit, as of any date of determination, shall be eighty million dollars (\$80,000,000) less, as of such date of determination, the excess, if any, of (x) twenty million dollars (\$20,000,000) over (y) the sum of (i) the Settled Claims Amount as of the fifth (5<sup>th</sup>) anniversary of the Closing Date, (ii) the amount of any increase in the Settled Claims Amount following the fifth (5<sup>th</sup>) anniversary of the Closing Date attributable to the resolution of any claim that was included in the Pending Claims Amount as of the fifth (5<sup>th</sup>) anniversary of the Closing Date or that, but for such resolution, would have been included in the Follow-On Claims Amount as of such date of determination, (iii) the portion of the Pending Claims Amount as of such date of determination that was included in the Pending Claims Amount as of the fifth (5<sup>th</sup>) anniversary of the Closing Date and (iv) the Follow-On Claims Amount, if any, as of such date of determination.

"Indemnification Escrow Funds" means, at any given time, the aggregate amount of funds in the Indemnification Escrow Account.

"Information Circular" means the information and proxy solicitation document to be mailed to the Company Stockholders in connection with the Company Stockholder Approval, together with any amendments or supplements thereto.

"Interest Component" means, as of any date, the amount accreted from and including the Closing Date to but excluding the applicable date of payment of any amount, such amount to be so accreted on a daily basis and compounded semiannually, on the date that is six months from the Closing Date and the last day of each successive six month period, at five percent (5%) per six months.

"IRS" means the United States Internal Revenue Service.

"Knowledge" means (i) with respect to the Company, the actual knowledge, after reasonable inquiry, of any of the individuals listed in Section 1.1 of the Company Disclosure Schedule and (ii) with respect to Buyer Parent, Buyer or Merger Sub, the actual knowledge, after reasonable inquiry, of any of the individuals listed in Section 1.1 of the Buyer Disclosure Schedule.

“Law” means any federal, state, local, international or foreign law (including common law), rule, regulation, judgment, code, ruling, statute, order, directive, decree, injunction or ordinance or other legal requirement, in each case of a Governmental Entity.

“Lead Rolling Stockholder” means any Rolling Stockholder designated on Schedule 1.1(b) as a Lead partner.

“Lien” means, with respect to any property or asset, any mortgage, lien, pledge, charge, security interest, lease, encumbrance or other adverse claim of any kind in respect of such property or asset. For purposes of this Agreement, a Person shall be deemed to own subject to a Lien any property or asset that it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or similar title retention agreement relating to such property or asset.

“Losses” means any and all liabilities and obligations, losses, damages, judgments, settlements, awards, costs and expenses (including reasonable expenses of investigation, enforcement, and collection and reasonable fees and expenses of counsel, consultants, experts and other professional fees) whether or not involving a Third Party Claim, including diminution in value of a business; provided that Losses shall not include (i) any punitive or exemplary damages, other than any such damages awarded against the applicable Buyer Indemnified Party to any Third Party in a proceeding subject to a Third Party Claim or (ii) any diminution in the value of the U.S. Government Business to the extent resulting from the delay of the Closing.

“Materials of Environmental Concern” means (i) any substance or waste defined or regulated as hazardous, acutely hazardous, or toxic substance or waste (or any other words of similar import) under Environmental Laws (including the federal Comprehensive Environmental Response, Compensation and Liability Act, as amended, and the federal Resource Conservation and Recovery Act, as amended), (ii) any other material or organism that would be reasonably expected to result in liability under any Environmental Law (including oil, radon gas, urea formaldehyde insulation, microbiological contamination, petroleum products, asbestos and polychlorinated biphenyls) or (iii) any substance or waste that requires investigation or remedial action under any Environmental Law.

“Merger Consideration” means the cash and Buyer Parent Securities, to be issued or paid with respect to Company Shares pursuant to Section 3.3.

“Merger Rolling Stockholder” means a Rolling Stockholder that, immediately prior to the Effective Time, has not consummated an Exchange.

“Merger Rolling Stockholder Stock” means shares of Class D Common Stock, par value \$0.01 per share, of Buyer Parent.

“Merger Sub Share” means one share of common stock of Merger Sub, \$0.01 par value per share.

“NAV Transfer Amount” has the meaning set forth in the Spin Off Agreement.

“Officer Retirement Policy” means that certain Officer Policy relating to retirement, effective as of April 1, 2005, under which eligible retirees are entitled to benefits including a lump sum retirement payment, continued medical and dental coverage, and financial counseling and annual physical examinations.

“Option Agreement” means, with respect to each Rolling Stockholder, that option agreement substantially in the form attached hereto as Exhibit B, to be entered into between Buyer Parent and such Rolling Stockholder pursuant to Section 3.4 or the applicable Exchange Agreement, as the case may be.

“Option Shares” means shares of Buyer Parent Common Stock issuable upon exercise of a Buyer Parent Option (whether or not the Buyer Parent Option is then exercisable).

“Organizational Documents” means, with respect to a Person other than an individual, the articles of incorporation, certificate of incorporation, charter, bylaws, articles of formation, articles of association, regulations, operating agreement, certificate of limited partnership, partnership agreement, limited liability company agreement and all other similar documents, instruments or certificates executed, adopted, or filed in connection with the creation, formation, or organization of such Person, including any amendments thereto.

“Pending Claims Amount” means, as of any date, the sum of (i) the aggregate amount, if any, of all properly asserted claims made by the Buyer Indemnified Parties prior to such date in accordance with Article 10 or Article 11 (including Section 11.8), to the extent such claims remain pending and unresolved plus (ii) the aggregate amount, if any, of all properly asserted claims made by any Buyer Indemnified Parties prior to such date for amounts due and owing under any Ancillary Agreement in accordance with the applicable Ancillary Agreement and Article 11, to the extent such claims remain pending and unresolved.

“Permitted Liens” means (a) Liens for current Taxes not yet due and payable or that are being contested in good faith in appropriate proceedings (if then available) and for which adequate accruals or reserves have been established in accordance with GAAP, (b) mechanics’, carriers’, workers’, repairers’, materialmen’s, warehousemen’s and other similar Liens arising or incurred in the ordinary course of business, (c) Liens securing rental payments under capital lease agreements, (d) Liens arising in favor of the United States government as a result of progress payment clauses contained in any Government Contract, (e) encumbrances and restrictions on real property (including easements, covenants, rights of way and similar restrictions of record) that (i) are matters of record or (ii) do not materially interfere with the present uses of such real property, (f) Liens identified in Section 1.1(d) of the Company Disclosure Schedule or approved by Buyer on or after the date of this Agreement in writing, and (g) other Liens arising in the ordinary course of business and not incurred in connection with the borrowing of money which do not materially interfere with the current use by the Company or any of the Company Subsidiaries of the assets, properties or rights affected thereby, which Liens in clauses (a) — (g) would not reasonably be likely to have, individually or in the aggregate, a Company Material Adverse Effect.

“Permitted Payment” means any dividend on, or payment on account of the purchase, redemption, retirement or other acquisition of, Equity Interests of Buyer to the extent permitted under the instrument governing the longest dated debt under the Debt Financing.

“Person” means an individual, corporation, limited liability company, partnership, association, trust or any other entity or organization, including any Governmental Entity.

“PLR Amount” shall mean (i) if the IRS fails to grant the Company ruling 3, as requested in the PLR Request, but does grant the Company ruling 5, as requested in the PLR Request, \$18,467,326, (ii) if the IRS fails to grant the Company ruling 5, as requested in the PLR Request, but does grant the Company ruling 3, as requested in the PLR Request, \$179,349, and (iii) if the IRS fails to grant the Company rulings 3 and 5, as requested in the PLR Request, \$19,878,548; provided, however, that in the event of any dispute regarding the determinations of the IRS, the PLR Amount shall be determined in accordance with Section 3.9.

“PLR Request” shall mean that certain private letter ruling request of the Company submitted to the IRS on February 21, 2008, as it may be revised or supplemented from time to time by the Company with the consent of Buyer Parent (not to be unreasonably withheld or delayed).

“Pre-Closing Restructuring” means the steps set forth on Exhibit K.

“Pre-Closing Taxes” means (a) all Taxes of the Company or any of the Company Subsidiaries (other than real or personal property taxes determined on an *ad valorem* basis) with respect to taxable periods or portions thereof that end on or prior to the Closing Date, including Taxes arising from, related to, or imposed in connection with, the Contribution, the Sale and the Spin Off, (b) all Taxes arising as a result of an inclusion under Section 951(a) of the Code (or any similar provision of state or local law) attributable to (i) “subpart F income”, within the meaning of Section 952 of the Code (or any similar provision of state or local law), received or accrued by the Company or any of the Company Subsidiaries on or prior to the Closing Date or (ii) the holding of “United States property”, within the meaning of Section 956 of the Code (or any similar provision of state or local law), by any non-U.S. Company Subsidiary on or prior to the Closing Date, (c) all Taxes of any member (other than the Company or any of the Company Subsidiaries) of any consolidated, combined or unitary federal, state, local or foreign group of which the Company or any of the Company Subsidiaries is or was a member on or before the Closing Date and for which the Company or any of the Company Subsidiaries is liable under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local or foreign law), and (d) all Taxes of any Person imposed on the Company or any of the Company Subsidiaries as a transferee or successor, by contract or otherwise, which Taxes relate to an event or transaction occurring on or before the Closing Date, except, in each case, (i) any Taxes resulting from any act or transaction occurring (or deemed to occur as a result of a Code Section 338(g) election) on the Closing Date after the Closing that is not in the ordinary course of business, including any Taxes incurred as a result of a Code Section 338(g) election (or any similar election under state, local or foreign law) (other than any Code Section 338(h)(10) election or similar election under state, local or foreign law with respect to the Sale) with respect to the acquisition of the Company or any Company Subsidiary, (ii) any Taxes that would not have been imposed but for Buyer’s or its Affiliates’ breach of any obligations contained in Sections 10.4(b), 10.4(c), 10.5,

10.6, 10.7 and 10.10, (iii) any Taxes that are indemnifiable by Newco pursuant to the Spin Off Agreement, (iv) any Transfer Taxes for which Buyer is responsible pursuant to Section 7.3 and (v) to the extent such Taxes are reflected in the Closing Date Working Capital included in the calculation of the Final Working Capital Adjustment, the Final Closing Date Indebtedness or the Final Restricted Cash Shortfall. For purposes of this Agreement, (i) the amount of Pre-Closing Taxes shall be determined by excluding the effect of any deductions (collectively, the "Excluded Deductions") for (a) compensation related to, arising out of or in connection with any payments to any Sellers made hereunder in their capacity as Sellers and with respect to their Equity Interests in the Company, (b) payment of expenses related to, arising out of or in connection with the transactions contemplated by this Agreement or the Spin Off Agreement and (c) compensation related to, arising out of or in connection with the exercise of any Company Stock Rights after the date hereof and prior to the Effective Time, including compensation related to, arising out of or in connection with the Acceleration and the Exchanges; provided that an amount (the "Indemnification Available Excluded Deductions") of Excluded Deductions not to exceed \$70,000,000 in the aggregate (less an amount equal to (x) the aggregate amount, if any, by which the PLR Escrow Amount and the Undisputed PLR Amount are reduced pursuant to the proviso set forth in Section 3.9(c) divided by, (y) 0.2732), shall be taken into account in calculating Pre-Closing Taxes, (ii) Pre-Closing Taxes shall include all Employment and Withholding Taxes related to, arising out of or in connection with the Acceleration or any payments to Sellers made hereunder in their capacity as Sellers and with respect to their Equity Interests in the Company (including payments made hereunder following the Closing) and (iii) the compensation Tax deduction for Company Employee bonuses shall be deemed to accrue on a daily basis, consistent with Section 6.8. For the avoidance of doubt, for purposes of this definition, the Indemnification Available Excluded Deductions shall be taken into account only to the extent available to offset the relevant Pre-Closing Taxes; provided that this sentence shall not affect the Company's right to reduce the Undisputed PLR Amount and/or the PLR Escrow Amount in accordance with Section 3.9(c).

"Public Offering" means the issuance by Buyer or any direct or indirect parent of Buyer of its common stock in an underwritten primary or secondary public offering (other than a public offering pursuant to a registration statement on Form S-8) pursuant to an effective registration statement filed with the Securities and Exchange Commission in accordance with the Securities Act of 1933, as amended.

"Retiree Medical Plan" means the U.S. Retired Officer Medical and Dental Plan maintained by the Company as in effect on the date hereof.

"Rolling Stockholder" means a Person set forth on Schedule 1.1(b) under the heading "Rolling Stockholder".

"SCAP" means the Company's Supplemental Capital Accumulation Program.

"SEC" means the Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“Seller” means any holder of (i) Company Shares issued and outstanding, (ii) Shadow Stock Units allocated on Schedule 3.5(b) or (iii) French Free Share Rights issued and outstanding, in each case, immediately prior to the effective time of the Initial Exchanges.

“Senior Rolling Stockholder” means any Rolling Stockholder who is not an Entry Level Rolling Stockholder or a Lead Rolling Stockholder.

“Settled Claims Amount” means, as of any date, any amounts due and owing (and, for the avoidance of doubt, not satisfied out of the Escrow Amount) to the Buyer Indemnified Parties pursuant to Article 10 or Article 11 (including such amounts satisfied under Section 11.8 through inclusion in the Settled Claims Amount).

“Settled Claims Adjustment Amount” means, as of any date, the lesser of the Settled Claims Amount or the Indemnification Sub-Limit.

“Spin Off Agreement Escrow Amount” means \$15,000,000.

“Staff Retiree Medical Policy” means the Human Resources Policy relating to continuation of health care coverage following retirement, effective as of April 1, 2006, under which eligible U.S.-based, non-officer employees of the Company are entitled to continued access to medical, dental and vision coverage, paid by such employees at the Company’s group rate for retirees.

“Stock Rights Plan” means the Company’s Officer’s Stock Rights Plan.

“Stockholders Agreement” means a stockholders agreement, dated as of the Closing Date, in all material respects in the form attached to the form of Additional Rolling Stockholder Exchange Agreement attached hereto as Exhibit C, by and among Buyer Parent, the Guarantor, the Rolling Stockholders, Discretionary Rolling Stockholders and, if any shares of Buyer Parent Equity Investor Common Stock have been issued to any Affiliates of Guarantor prior to Closing, such Affiliates.

“Subsidiary” means, with respect to any Person, any corporation, limited liability company, partnership or other entity (including joint ventures) of which such Person, directly or indirectly, (a) has the right or ability to elect, designate or appoint a majority of the board of directors or other Persons performing similar functions for such entity, whether as a result of the beneficial ownership of Equity Interests, contractual rights or otherwise or (b) beneficially owns a majority of the voting Equity Interests (including general partner Equity Interests).

“Superior Proposal” means any Acquisition Proposal (with all of the percentages included in the definition of Acquisition Proposal increased to fifty percent (50%) for purposes of this definition) that the Company’s Board of Directors or any duly authorized committee of the Board of Directors of the Company concludes in good faith, after consultation with its outside legal counsel and financial advisors, (a) is on terms that are more favorable, from a financial point of view, to the Company Stockholders than the terms of the Transactions (including any written proposal by Buyer Parent, Buyer and Merger Sub received by the Company to amend the terms of this Agreement), taking into account all terms and conditions of



such proposal, and (b) is reasonably capable of being consummated, taking into account all financial, regulatory, legal and other aspects of such proposal.

“Tax” or “Taxes” means all federal, state, provincial, local and other taxes, fees, levies, duties and other similar assessments and charges (including income, sales, use, excise, stamp, transfer, property, value added, recording, registration, intangible, documentary, goods and services, real estate, sales, payroll, gains, gross receipts, withholding and franchise taxes) together with any interest, penalties, or additions payable in connection with such taxes, fees, levies, duties or other similar assessments and charges and shall include liability for taxes of another Person pursuant to Treasury Regulation Section 1.1502-6 (or any similar provision of state, local or foreign tax law), by contract or otherwise.

“Tax Returns” means all returns, reports, estimates, information statements, declarations and other filings related to, or required to be filed in connection with, the payment or refund of any Tax.

“Third Party” means a Person (or group of Persons) other than the Company, Buyer Parent, Buyer, Merger Sub or any of their respective Subsidiaries.

“Transaction Accounting Principles” means GAAP consistent with the accounting principles and practices applied in the preparation of the audited balance sheet of the Company as of March 31, 2007 and the associated consolidating schedules for the U.S. Government Business and the Other Businesses contained in the Financial Statements (but in any case in accordance with GAAP), except as set forth in Schedule 1.1(e).

“Transition Restructuring Costs” means costs and expenses reasonably incurred in connection with the planning and/or execution of the separation of Newco from the Company pursuant to the transition of (a) services to be provided to Newco under the relevant Transition Services Agreement by the Company to the provision of such services by Newco or a third-party service provider and (b) services to be provided to the Company under the relevant Transition Services Agreement by Newco to the provision of such services by the Company or a third-party service provider, including any internal restructuring of the Company and the Company Subsidiaries, termination of personnel, revision to or termination of third party agreements, segregation and migration of historical data, transfer of records, changes to systems and networks including changes relating to the separate IT environment, cooperation with and assistance to third-party consultants, post-transition elimination of or modification to changes implemented to facilitate the provision of services under the Transition Services Agreements and costs and expenses incurred in connection with establishing the special purpose vehicle in accordance with Section 2.05(c) of the Spin Off Agreement, in each case, whether incurred prior to, on or following the Closing.

“Transition Services Agreements” shall have the meaning set forth in the Spin Off Agreement.

“U.S. Government Business” means the businesses, activities and operations of the Company and its Subsidiaries on or prior to the Closing Date to the extent such businesses,

activities and operations constitute Company Services (as defined in the Spin Off Agreement) or Company Excepted Services (as defined in the Spin Off Agreement).

“Voting Shares” means the Company Common Shares and the Company Class B Common Shares.

“WARN” means the Worker Adjustment and Retraining Notification Act, as amended.

(b) Each of the following terms is defined in the Section set forth opposite such term:

<u>Term</u>	<u>Section</u>
Acceleration	2.1(a)
Acceleration Exercise Price	1.1(a)
Acceptable Debt Financing	8.7(a)
Accounting Firm	3.7(e)
Acquisition Proposal	1.1(a)
Additional Cash Contribution	1.1(a)
Additional Exchange Agreements	1.1(a)
Additional Rolling Stockholder Exchange Agreements	1.1(a)
Affiliate	1.1(a)
Aggregate Acceleration Exercise Price	1.1(a)
Aggregate Class B Stock Consideration	1.1(a)
Aggregate Consideration	3.3(a)
Aggregate Shadow Stock Deductions	3.5(b)
Aggregate Stock Right Deductions	3.3(b)
Agreement	Preamble
Alternative Financing	8.7(d)
Ancillary Agreements	1.1(a)
Antitrust Conditions	8.2(e)
Antitrust Division	8.2(a)
Antitrust Laws	1.1(a)
Applicable Stock Right Deduction	3.3(b)
Applicable Prepayment Percentage	1.1(a)
Basket	11.1(c)
BAH Sweden	Recitals
BASP	Recitals
Business Day	1.1(a)
Buyer	Preamble
Buyer Entity Securities	5.6(e)
Buyer Expenses	12.2(b)(iii)
Buyer Indemnified Parties	10.1(a)
Buyer Material Adverse Effect	1.1(a)
Buyer Parent	Preamble
Buyer Parent Common Stock	1.1(a)
Buyer Parent Non-Voting Common Stock	1.1(a)
Buyer Parent Options	1.1(a)
Buyer Parent Restricted Stock	3.3(d)(i)

<b>Term</b>	<b>Section</b>
Buyer Parent Rollover Stock Plan	1.1(a)
Buyer Parent Securities	1.1(a)
Buyer Parent Special Voting Stock	1.1(a)
Buyer Termination Fee	12.2(c)(iii)
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Change of Control	1.1(a)
Claim	4.9
Claim Notice	11.2(a)
Closing	2.2(d)
Closing Date	2.2(d)
Closing Date Buyer Share Number	1.1(a)
Closing Date Indebtedness	3.7(b)
Closing Date Working Capital	3.7(c)
Code	1.1(a)
Commitment Letters	8.7(b)
Company	Preamble
Company Class A Non-Voting Common Shares	1.1(a)
Company Class A Shares	1.1(a)
Company Class B Common Shares	1.1(a)
Company Class B Non-Voting Common Shares	1.1(a)
Company Class B Shares	1.1(a)
Company Common Shares	1.1(a)
Company Employee	1.1(a)
Company Intellectual Property	4.14
Company Material Adverse Effect	1.1(a)
Company Plans	4.11(a)
Company Recommendation	4.2
Company Securities	4.5(b)
Company Shares	1.1(a)
Company Stock Right	1.1(a)
Company Stockholder Approval	4.22
Company Stockholder Meeting	6.2
Company Stockholders	1.1(a)
Company Subsidiary	1.1(a)
Company Termination Fee	12.2(b)(i)
Company Transaction Expenses	1.1(a)
Confidentiality Agreement	1.1(a)
Contract	1.1(a)
Contribution	Recitals
Credit Suisse	4.15(a)
D&O Insurance	7.1(c)
DCAA Audits	1.1(a)
DCRIP Facility	1.1(a)

Term	Section
Debt Commitment Deadline	8.7(b)
Debt Commitment Letter	8.7(b)
Debt Financing	8.7(b)
Debt Financing Shortfall Amount	1.1(a)
Deemed Principal Amount	1.1(a)
Default	4.17(b)
Deferred Obligation Amount	1.1(a)
Deferred Payment Date	1.1(a)
Deferred Payment Holdback	1.1(a)
DGCL	2.2(a)
Discretionary Rolling Stockholder Exchange Agreements	1.1(a)
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Discretionary Rolling Stockholder Cap	8.9(b)
Dissenting Shares	3.6
DPO Percentage	1.1(a)
ECAP	6.8
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Employment and Withholding Taxes	1.1(a)
End Date	12.1(b)(i)
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Environmental Permits	1.1(a)
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Escrow Agreement	3.8
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Escrow Percentage	1.1(a)
Estimated Closing Date Indebtedness	3.7(a)
Estimated NAV Transfer Amount	1.1(a)
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Term	Section
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Exchange Ratio	3.3(d)(i)
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Final Restricted Cash Shortfall	3.7(f)
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French Free Share Plan	1.1(a)
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FTC	8.2(a)
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HSR Act	1.1(a)
Increased Financing Costs	1.1(a)
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Indemnification Available Excluded Deductions	1.1(a)
Indemnification Sub-Limit	1.1(a)
Indemnification Escrow Account	3.8
Indemnification Escrow Amount	3.8
Indemnification Escrow Funds	1.1(a)
Indemnified Parties	7.1(b)
Individual Discretionary Rolling Stockholder Cap	8.9(b)
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<b>Term</b>	<b>Section</b>
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Merger Rolling Stockholder	1.1(a)
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New Financing Commitments	8.7(d)
Newco 1	Recitals
Newco 2	Recitals
Newco 3	Recitals
Newco LLC	Recitals
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<b>Term</b>	<b>Section</b>
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Spin Off Agreement Escrow Amount	1.1(a)
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Stock Right Cash Amount	3.3(b)
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<u>Term</u>	<u>Section</u>
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Voting Shares	1.1(a)
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Working Capital Adjustment	3.7(c)
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**ARTICLE 2  
THE TRANSACTIONS**

**2.1 Pre-Merger Actions.**

(a) The Company shall take all action necessary to allow for (i) the acceleration of the vesting of (1) all Company Stock Rights held by Sellers other than Merger Rolling Stockholders, (2) all French Free Share Rights held by Sellers and (3) all Shadow Stock Units held by Sellers, and (ii) the exercise of all such Company Stock Rights held by Sellers other than Merger Rolling Stockholders and all such French Free Share Rights held by Sellers for Company Class A Shares in accordance with the amendment to the Stock Rights Plan effected pursuant to Section 6.5, with the actions set forth in clauses (i) and (ii) (collectively, the "Acceleration"), in each case, to occur on the Exchange Date after the effective time of the Initial Exchanges.

(b) Prior to the Effective Time, the Company shall take all action necessary to effect the Contribution, the Sale and the Spin Off by (i) consummating the transactions contemplated by the Spin Off Agreement and (ii) delivering, or causing to be delivered to the Exchange Agent, for the benefit of the Company Stockholders as of the record date established for the Spin Off by the Board of Directors of the Company, which date shall be prior to the Exchange Date (the "Record Date"), one or more certificates representing that number of Newco Shares to be distributed in the Spin Off.



## 2.2 The Merger.

(a) At the Effective Time, Merger Sub shall be merged with and into the Company (the “Merger”) in accordance with the terms and conditions of this Agreement and the Delaware General Corporation Law (as amended, the “DGCL”), at which time the separate corporate existence of Merger Sub shall cease and the Company shall continue its existence. In its capacity as the corporation surviving the Merger, this Agreement sometimes refers to the Company as the “Surviving Corporation”.

(b) On the Closing Date, the Company shall file a certificate of merger (the “Certificate of Merger”) with the Delaware Secretary of State (the “Secretary of State”) in such form required by and in accordance with the DGCL in connection with the Merger. The Merger shall become effective on the date and at the time when the Certificate of Merger is duly filed with and accepted by the Secretary of State, or at such later date and time as is agreed upon by the parties and specified in the Certificate of Merger (such date and time as the Merger becomes effective is referred to herein as the “Effective Time”).

(c) From and after the Effective Time, the Merger shall have the effects set forth in the DGCL.

(d) The closing of the Merger (the “Closing”) shall be held at the offices of Latham & Watkins LLP, 555 Eleventh Street, NW, Washington, DC 20004 (or such other place as agreed by the parties) at 10:00 a.m., Eastern time, on the last Business Day of the calendar month that includes the second (2<sup>nd</sup>) Business Day following the day on which all of the conditions set forth in Article 9 (other than those conditions that by their nature are to be satisfied at the Closing, it being understood that the occurrence of the Closing shall remain subject to the satisfaction or waiver of the conditions that by their terms are to be satisfied at Closing) are satisfied or waived by the party or parties permitted to do so, unless the parties hereto agree to another date and time; provided, however, that Buyer Parent, Buyer and Merger Sub shall not be required to effect the Closing prior to the earlier of (i) the last Business Day of the calendar month which precedes the calendar month containing the first day on which the commitment of Lender to provide Debt Financing under the Debt Commitment Letter delivered pursuant to Section 8.7 no longer remains in full force and effect and (ii) the first date that is seven (7) weeks after the Debt Commitment Deadline. The date upon which the Closing occurs is hereinafter referred to as the “Closing Date”.

2.3 Organizational Documents. At the Effective Time (a) the certificate of incorporation of the Company, in effect immediately prior to the Effective Time, shall be amended and replaced in its entirety in the form set forth on Exhibit D hereto and, as so amended, shall be the certificate of incorporation of the Surviving Corporation and (b) the Company’s by-laws in effect immediately prior to the Effective Time, shall be amended and replaced in its entirety with the by-laws of Merger Sub in effect immediately prior to the Effective Time, and as so amended, shall be the by-laws of the Surviving Corporation, in each case until amended in accordance with applicable Law; provided, however, that such by-laws shall be consistent with Section 7.1 at all relevant times.

2.4 Directors and Officers. The Company shall (x) cause each person serving as a director of the Company immediately prior to the Effective Time to resign as a director at the Effective Time and (y) cause each Newco Employee serving as an officer of the Company immediately prior to the Effective Time to resign as an officer at the Effective Time, and from and after the Effective Time (until such time as their successors are duly elected or appointed and qualified), (A) Merger Sub's directors immediately prior to the Effective Time shall be the Surviving Corporation's directors and (B) other than the Newco Employees referred to in subclause (y) of this Section 2.4, the Company's officers immediately prior to the Effective Time shall be the Surviving Corporation's officers.

**ARTICLE 3**  
**CONVERSION OF SECURITIES AND RELATED MATTERS**

**3.1 Capital Stock of Merger Sub; Buyer Parent-Owned Company Common Shares**

(a) As of the Effective Time, by virtue of the Merger and without any action on the part of the holder of any Company Share or Merger Sub Share, each Merger Sub Share issued and outstanding immediately prior to the Effective Time shall be converted into one share of common stock of the Surviving Corporation.

(b) As of the Effective Time, each Company Common Share held by Buyer Parent or any of its wholly owned Subsidiaries immediately prior to the Effective Time, shall remain outstanding and shall become that number of shares of common stock of the Surviving Corporation that bears the same ratio to the aggregate number of outstanding shares of the Surviving Corporation as the number of Company Common Shares held by such entity bore to the aggregate number of outstanding Company Class A Shares immediately prior to the Effective Time.

**3.2 Cancellation of Treasury Stock and Buyer Parent Owned Company Shares**. As of the Effective Time, by virtue of the Merger and without any action on the part of the holder of any Company Share or Merger Sub Share, (i) each Company Share held by the Company as treasury stock and (ii) each Company Share (other than Company Common Shares) held by Buyer Parent or any Subsidiary of Buyer Parent immediately prior to the Effective Time shall be canceled and retired, and no payment shall be made or consideration delivered or deliverable in respect thereof.

**3.3 Conversion of Company Shares**. As of the Effective Time, by virtue of the Merger and without any action on the part of the holder of any Company Share or Merger Sub Share:

(a) each Company Class A Share issued and outstanding immediately prior to the Effective Time (other than (x) shares described in Section 3.1(b) or 3.3(d), (y) shares to be canceled in accordance with Section 3.2 and (z) Dissenting Shares) shall be converted into the right to receive in cash, without interest, an amount (the "Full Cash Amount") equal to (A) (1) the sum of (x) \$2,540,000,000 (the "Aggregate Consideration"), (y) the Aggregate Shadow Stock Deductions and (z) the Aggregate Stock Right Deductions minus (2) the Estimated Closing Date Indebtedness minus (3) the Estimated Restricted Cash Shortfall (which may be a negative

number) minus (4) the Aggregate Class B Stock Consideration minus (5) the Undisputed PLR Amount minus (6) the Estimated Pre-Closing Taxes plus (7) the Estimated Working Capital Adjustment (which may be a negative number) divided by (B) the Fully Diluted Stock Amount; provided that such amount shall be calculated and payable in accordance with Section 3.4, 3.5, 3.7, 3.9, 3.10 or 3.11 or Articles 10 and 11, as applicable;

(b) each Company Stock Right issued and outstanding immediately prior to the Effective Time (other than (x) Company Stock Rights described in Section 3.3(d) and (y) Company Stock Rights to be canceled in accordance with clause (ii) of Section 3.2) shall be converted into the right to receive in cash, without interest, an amount (the "Stock Right Cash Amount") equal to (A) the Full Cash Amount minus (B) an amount (with respect to such Company Stock Right, the "Applicable Stock Right Deduction") and, together with the Applicable Stock Right Deductions for all other Company Stock Rights issued and outstanding immediately prior to the Effective Time, including Company Stock Rights described in Section 3.3(d) but excluding Company Stock Rights to be canceled in accordance with clause (ii) of Section 3.2, the "Aggregate Stock Right Deductions") equal to the exercise price payable by the holder of such Company Stock Right for a Company Class A Share purchased under Section 14 of the Stock Rights Plan, as amended, in connection with the exercise of such Company Stock Right (regardless of whether such stock rights were then exercisable); provided that such amount shall be calculated and payable in accordance with Section 3.4, 3.5, 3.7, 3.9, 3.10 or 3.11 or Articles 10 and 11, as applicable;

(c) each Company Class B Common Share issued and outstanding immediately prior to the Effective Time (other than (x) shares canceled in accordance with Section 3.2, (y) Dissenting Shares, and (z) shares described in Section 3.3(d)), shall be converted into the right to receive in cash, without interest, an amount equal to \$0.25; provided that such amount shall be calculated and payable in accordance with Section 3.4.

(d) notwithstanding Section 3.3(a), Section 3.3(b) and Section 3.3(c), Company Common Shares, Company Stock Rights and Company Class B Common Shares, in each case issued and outstanding immediately prior to the Effective Time (in each case, other than (x) shares to be canceled in accordance with Section 3.2 and (y) Dissenting Shares) held, in each case, by a Merger Rolling Stockholder, shall be converted as hereinafter provided in this Section 3.3(d), in the order and amounts required under this Section 3.3(d); such conversion to be as follows:

(i) first, each Company Stock Right shall be converted into a Buyer Parent Option to purchase (on the terms and conditions set forth in the Option Agreement and the Buyer Parent Rollover Stock Plan) Option Shares, with each Buyer Parent Option entitling the holder to purchase a number of Option Shares equal to (1) the Full Cash Amount divided by (2) \$100.00 (the "Exchange Ratio") for an aggregate exercise price equal to the Applicable Stock Right Deduction for such Company Stock Right; provided, however, that Company Stock Rights with an exercise date in 2008 shall be converted into a number of shares of Class C Common Stock, par value \$0.01 per share ("Buyer Parent Restricted Stock") equal to (X) the Stock Right Cash Amount divided by (Y) \$100.00; such conversion to be effected (A) starting with Company Stock Rights having the earliest grant date (excluding Company Stock Rights having an exercise date

in 2008) and proceeding sequentially to subsequent tranches of Company Stock Rights in order of grant dates (excluding Company Stock Rights having an exercise date in 2008) and (B) followed by Company Stock Rights having an exercise date in 2008, until the first to occur of (x) the conversion under this Section 3.3(d)(i) of a number of Company Stock Rights equal to forty percent (40%) of the pertinent Merger Rolling Stockholder's Full Share Amount or (y) the conversion under this Section 3.3(d)(i) of all of the Company Stock Rights held by the pertinent Merger Rolling Stockholder;

(ii) second, a number of the pertinent Merger Rolling Stockholder's Company Class B Common Shares equal to the number of Company Stock Rights converted into Buyer Parent Options under Section 3.3(d)(i) shall be converted, subject (in the aggregate for such Merger Rolling Stockholder) to Section 3.4(i), into shares of Buyer Parent Special Voting Stock with each Company Class B Common Share being converted into (A) a number of shares of Buyer Parent Special Voting Stock equal to the Exchange Ratio and (B) the right to receive in cash, without interest, an amount equal to \$0.25 minus the aggregate par value of the shares of Buyer Parent Special Voting Stock issued in exchange therefore;

(iii) third, if clause (x) of Section 3.3(d)(i) has not been satisfied, Company Common Shares shall, subject (in the aggregate for such Merger Rolling Stockholder) to Section 3.4(i), be converted into shares of Merger Rolling Stockholder Stock, with each Company Common Share being converted into a number of shares of Merger Rolling Stockholder Stock equal to the Exchange Ratio, until there shall have been converted under this Section 3.3(d)(iii) a number of Company Common Shares that, when added to the number of Company Stock Rights converted under Section 3.3(d)(i), is equal to forty percent (40%) of the pertinent Merger Rolling Stockholder's Full Share Amount; such conversion to be effected starting with Company Common Shares acquired within twelve (12) months prior to the Effective Time, followed by Company Common Shares with the earliest acquisition date and proceeding sequentially to each subsequently acquired Company Common Share until such forty percent (40%) condition shall have been satisfied; and

(iv) thereafter, all remaining, Company Stock Rights, Company Class B Common Shares and Company Common Shares issued and outstanding immediately prior to the Effective Time and held by the pertinent Merger Rolling Stockholder shall be converted into cash as provided in Section 3.3(a), 3.3(b) or 3.3(c), as applicable;

provided, that all Buyer Parent Options, Buyer Parent Restricted Stock, Buyer Parent Special Voting Stock and Merger Rolling Stockholder Stock shall be subject to the terms and provisions of the Buyer Parent Rollover Stock Plan;

(e) as of the Effective Time, the Stock Rights Plan shall terminate and, except as expressly agreed pursuant to this Agreement or the Exchange Agreements, any unexercised Company Class B Shares (together with the associated Company Stock Rights) shall be canceled. Prior to the Effective Time, the Company shall take all actions reasonably necessary to ensure that, after the Effective Time, no Company Stock Rights are outstanding and no Newco

Employees or Company Employees are entitled to any Company Shares under the Stock Rights Plan; and

(f) as of the Effective Time, the French Free Share Plan shall terminate. Prior to the Effective Time, the Company shall take all actions reasonably necessary to ensure that, immediately prior to the Effective Time, no French Free Share Rights are outstanding and no Newco Employees or Company Employees are entitled to French Free Share Rights, including making any necessary amendments to the French Free Share Plan to allow the treatment of the French Free Share Rights contemplated by this Agreement or obtaining any necessary consents from the holders of French Free Share Rights.

3.4 Exchange of Certificates; Payment Procedures.

(a) At least ten (10) days prior to the Effective Time, the Company shall appoint a bank or trust company reasonably acceptable to Buyer as an agent (the "Exchange Agent") for the benefit of Company Stockholders and Shadow Stockholders for the purpose of (i) exchanging, pursuant to this Article 3, certificates representing the Company Shares (the "Certificates"), (ii) distributing Cash Consideration and (iii) distributing Newco Shares in connection with the Spin Off. Immediately prior to the Effective Time, Buyer shall make available to and deposit with the Exchange Agent (1) an amount sufficient to permit the Exchange Agent to pay the Aggregate Consideration to be paid in respect of Company Shares and Shadow Stock Units (other than Shadow Stock Units held by U.S. Shadow Stock Sellers) pursuant to this Article 3 ~~less~~ the sum of (I) the Escrow Amount plus (II) the Debt Financing Shortfall Amount, (2) a certificate or certificates representing the shares of Merger Rolling Stockholder Stock, Buyer Parent Special Voting Stock or Buyer Parent Restricted Stock (the "Exchange Shares") issuable in exchange for Company Shares pursuant to this Article 3, and (3) Option Agreements, executed by Buyer Parent, with respect to the Buyer Parent Options issuable in exchange for Company Stock Rights pursuant to this Article 3 (the "Exchange Fund"), and except as contemplated by Section 3.4(e), Section 3.4(g) or Section 3.6, the Exchange Fund shall not be used for any other purpose. Buyer shall deposit into the Exchange Fund from time to time any additional Cash Consideration necessary for payments in lieu of fractional Buyer Parent Securities pursuant to Section 3.4(i). The Exchange Agent shall invest the Cash Consideration in the Exchange Fund as directed by the Buyer on a daily basis. Any interest and other income resulting from such investments shall be paid to the Surviving Corporation. To the extent that there are losses with respect to such investments, or the Exchange Fund diminishes for other reasons below the level required to make prompt payments of the Cash Consideration as contemplated hereby, Buyer or the Surviving Corporation shall promptly replace or restore the portion of the Exchange Fund lost through investments or other events and necessary to ensure that the Exchange Fund is, at all times, maintained at a level sufficient to make such payments.

(b) At or prior to the Exchange Date, the Company shall prepare (in consultation and cooperation with Buyer) and deliver to Buyer a certificate (the "Funding Consideration Schedule"), which certificate shall be in form and substance reasonably acceptable to Buyer, that sets forth with respect to each Company Stockholder and Shadow Stockholder a correct and complete list of (i) all outstanding Company Common Shares, Company Class A Non-Voting Common Shares, Company Class B Common Shares and Company Class B Non-Voting Common Shares held by each such Person (as of immediately prior to each of (1) the effective

time of the Exchanges, (2) the effective time of the Acceleration and (3) the Effective Time), (ii) all outstanding Company Stock Rights, including the grant date, the exercise price pursuant to Section 14 of the Stock Rights Plan and the vesting period for each such stock right, held by each such Person (as of immediately prior to each of (1) the effective time of the Exchanges, (2) the effective time of the Acceleration and (3) the Effective Time), (iii) all outstanding French Free Share Rights, including the grant date, the vesting period and the exercise price, if any, for such French Free Share Rights held by each such Person (as of immediately prior to the Acceleration), (iv) all outstanding Shadow Stock Units, including the grant date, the vesting period, the Shadow Stock Vested Payment and the Shadow Stock Unexercised Payment, if any, for such Shadow Stock Units held by each such Person (as of immediately prior to the Acceleration), (v) the Acceleration Exercise Price that is payable to the Company by each such Person (as of immediately prior to the Effective Time), and (vi) the form and amount of each type of Exchange Equity, Merger Consideration and/or Cash Consideration to be issued or paid to such Person pursuant to Article 3 and Section 8.9, as the case may be. As promptly as practicable after the Effective Time but not later than three (3) Business Days thereafter, the Surviving Corporation shall send, or shall cause the Exchange Agent to send, to each record holder of Certificates and Shadow Stock Units a letter of transmittal and instructions (which shall (i) be in customary form, and (ii) in respect of holders of Certificates, specify that delivery shall be effected, and risk of loss and title shall pass, only upon delivery of the Certificates to the Exchange Agent), for use in the exchange contemplated by this Section 3.4; provided, however, that Buyer shall cooperate with the Company prior to the Effective Time to permit Company Stockholders and Shadow Stockholders the opportunity to surrender duly executed letters of transmittal at the Closing. Upon surrender of a Certificate to the Exchange Agent, together with a duly executed letter of transmittal, an acknowledgment by the holder of the appointment of the Seller Representative pursuant to Section 13.10, and such other documents as may customarily be required by the Exchange Agent, the holder shall be entitled to receive, in exchange therefor, the Merger Consideration (without any interest thereon), as provided in this Article 3 in respect of the Company Shares represented by the Certificate (and such holder's Company Stock Rights); provided that the portion of the Cash Consideration payable pursuant to this Section 3.4(b) (after giving effect to any deductions under Section 3.4(g)) will be reduced by an amount equal to the sum of (x) such holder's Escrow Percentage (provided that for the purposes of payments made under this Section 3.4(b) only, the Escrow Percentage of any Company Stockholder who is also a Shadow Stockholder shall be zero) of the Escrow Amount and (y) such holder's DPO Percentage of the Debt Financing Shortfall Amount; provided, further, that (i) certificates representing Buyer Parent Restricted Stock shall be delivered to and held by the Company secretary pursuant to the Buyer Parent Rollover Stock Plan and (ii) no such certificates shall be issued or delivered prior to June 15, 2008. Cash Consideration payable to any holder of Company Shares shall be payable by wire transfer of immediately available funds to an account designated by such holder in the applicable letter of transmittal. Merger Consideration in the form of shares shall be paid by issuance of a certificate representing that number of whole shares of Merger Rolling Stockholder Stock, Buyer Parent Special Voting Stock or Buyer Parent Restricted Stock which such holder has the right to receive in respect of the Company Shares formerly represented by such Certificate (and such holder's Company Stock Rights). Merger Consideration in the form of Buyer Parent Options shall be paid by execution by Buyer Parent and delivery of the applicable Option Agreement with respect to the applicable number of Option Shares at the applicable exercise price. Until surrendered as contemplated by this Section 3.4, each Certificate

shall be deemed after the Effective Time to represent only the right to receive the applicable Merger Consideration.

(c) From and after the Effective Time, the holders of Certificates and Shadow Stock Units shall cease to have any rights with respect to Company Shares or Shadow Stock Units, except as otherwise provided herein or by applicable Law, including the right to receive a pro rata share of amounts to be released from the Escrow Accounts to Sellers pursuant to this Agreement and paid to the Sellers pursuant to Section 3.11. As of the Effective Time, the stock transfer books of the Company shall be closed and there shall be no further registration of transfers on the Company's stock transfer books. If, after the Effective Time, Certificates are presented to the Surviving Corporation for any reason, they shall be canceled and exchanged as provided in this Section 3.4.

(d) If payment of the Merger Consideration in respect of Company Shares is to be made to a Person other than the Person in whose name a surrendered Certificate is registered, it shall be a condition to such payment that the Certificate so surrendered shall be properly endorsed or shall be otherwise in proper form for transfer and, if payment of the Merger Consideration and Cash Consideration in respect of Certificates or Shadow Stock Units is to be made to a Person other than the Person in whose name such Certificate, unit or right is registered, it shall be a condition to such payment that the Person requesting such payment shall have paid any transfer and other Taxes required by reason of such payment in a name other than that of the registered holder of the Certificate surrendered or shall have established to the satisfaction of the Surviving Corporation or the Exchange Agent that such Taxes either have been paid or are not payable.

(e) Upon the request of the Surviving Corporation, the Exchange Agent shall deliver to the Surviving Corporation any portion of the Merger Consideration and Cash Consideration made available to the Exchange Agent pursuant to this Section 3.4 that remains undistributed to Company Stockholders and Shadow Stockholders twelve (12) months after the Effective Time. Holders of Certificates and Shadow Stock Units who have not complied with this Section 3.4 prior to the demand by the Surviving Corporation shall thereafter look only to Buyer and the Surviving Corporation for payment of any claim to the Merger Consideration and Cash Consideration (without any interest thereon).

(f) None of Merger Sub, Buyer Parent, Buyer, the Surviving Corporation, the Exchange Agent or any other Person shall be liable to any Person in respect of any Company Shares and Shadow Stock Units (or dividends or distributions with respect thereto) for any amounts paid to a public official pursuant to any applicable abandoned property, escheat or similar Law.

(g) Each of the Surviving Corporation and the Exchange Agent shall be entitled to deduct and withhold from the Cash Consideration or amounts otherwise payable hereunder to any Person any amounts that it is required to deduct and withhold with respect to such payments or otherwise with respect to the transactions contemplated hereby under any applicable provision of federal, state, local or foreign tax Law or any Acceleration Exercise Price that is payable by such Person to the Surviving Corporation. To the extent that the Surviving Corporation or the Exchange Agent withholds such amounts with respect to a Seller and properly

remits such withheld amounts to the applicable Taxing authority, such withheld amounts shall be treated as having been paid to such Seller.

(h) If any Certificate has been or is claimed to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming that a Certificate has been lost, stolen or destroyed, and, if required by the Exchange Agent or the Surviving Corporation, the execution by any such Person of an indemnity agreement, the Exchange Agent will deliver to such Person in exchange for such lost, stolen or destroyed Certificate, the proper amount and form of the Merger Consideration.

(i) No certificates or scrip representing fractional shares of Buyer Parent Common Stock, Buyer Parent Special Voting Stock or Buyer Parent Restricted Stock shall be issued upon the surrender for exchange of Certificates, no dividend or distribution with respect to Buyer Parent Common Stock, Buyer Parent Special Voting Stock or Buyer Parent Restricted Stock shall be payable on or with respect to any fractional share and such fractional share interests will not entitle the owner thereof to any rights of a stockholder of Buyer Parent. In lieu thereof, Company Stockholders otherwise entitled to receive a fractional share of Buyer Parent Common Stock or Buyer Parent Restricted Stock shall be entitled to receive, concurrently with his or her receipt of the remainder of the applicable Merger Consideration, a cash payment equal to (i) \$100.00 multiplied by, (ii) the fraction of a share of Buyer Parent Common Stock or Buyer Parent Restricted Stock to which such holder was otherwise entitled.

(j) No dividends or other distributions declared or made after the Effective Time with respect to Buyer Parent Common Stock or Buyer Parent Restricted Stock with a record date after the Effective Time shall be paid to the holder of any unsurrendered Certificate with respect to the shares of Buyer Parent Common Stock or Buyer Parent Restricted Stock represented thereby unless and until the holder of such Certificate shall surrender such Certificate. Subject to the effect of escheat, Tax or other applicable Laws, following surrender of any such Certificate, there shall be paid to the holder of the certificates representing whole shares of Buyer Parent Common Stock or Buyer Parent Restricted Stock issued in exchange therefor, without interest, (A) concurrently with the payment of the applicable Merger Consideration, the amount of dividends or other distributions with a record date after the Effective Time theretofore paid with respect to such whole shares of Buyer Parent Common Stock or Buyer Parent Restricted Stock and (B) at the appropriate payment date, the amount of dividends or other distributions, with a record date after the Effective Time but prior to surrender and a payment date occurring after surrender, payable with respect to such whole shares of Buyer Parent Common Stock or Buyer Parent Restricted Stock.

### 3.5 Delivery of Newco Shares and Other Payments.

(a) On or as promptly as practicable after the Closing Date, the Exchange Agent shall, in connection with the Spin Off, deliver to each Company Stockholder as of the Record Date, on behalf of Newco, a certificate representing that number of Newco Shares to be distributed to such Company Stockholder in the Spin Off.

(b) Subject to Section 3.12, upon surrender by the Persons set forth on Section 3.5(b) of the Company Disclosure Schedule (the "Shadow Stockholders") to the Exchange Agent of a



duly executed letter of transmittal, an acknowledgment by the Shadow Stockholder of the appointment of the Seller Representative pursuant to Section 13.10, and such other documents as may customarily be required by the Exchange Agent, such Shadow Stockholder shall be entitled to receive, in exchange therefor, an amount equal to (A) an amount equal to the Full Cash Amount multiplied by the number of units set forth for such person on Section 3.5(b) of the Company Disclosure Schedule, including both vested units and unexercised units (all such units, "Shadow Stock Units"), minus (B) an amount (together with such amounts for other Shadow Stockholders, including U.S. Shadow Stock Sellers, the "Aggregate Shadow Stock Deductions") equal to the sum of (1) the amount set forth on Section 3.5(b) of the Company Disclosure Schedule as the "Shadow Unexercised Payment" due from such Shadow Stockholder and (2) the amount equal to such Shadow Stockholder's "Shadow Vested Payment" due, calculated in accordance with Section 3.5(b) of the Company Disclosure Schedule, taking into account the Closing Date; provided, however, that such payment will be reduced by an amount equal to the sum of (x) such Shadow Stockholder's Escrow Percentage of the Escrow Amount and (y) such Shadow Stockholder's DPO Percentage of the Debt Financing Shortfall Amount; provided, further, that such amount shall be calculated and payable in accordance with Section 3.4, 3.5, 3.7, 3.9, 3.10 or 3.11 or Articles 10 and 11, as applicable. Such amounts payable to such Shadow Stockholder pursuant to this Section 3.5 shall be payable by wire transfer of immediately available funds to an account designated by such holder in the applicable letter of transmittal. Until the letter of transmittal is surrendered as contemplated by Section 3.4, each Shadow Stock Unit shall be deemed after the Effective Time to represent only the right to receive the applicable Cash Consideration in accordance with Sections 3.4 and 3.5.

(c) Notwithstanding anything to the contrary in this Agreement, the amounts payable under Section 3.4 or this Section 3.5 shall not be considered Indebtedness or any other liability of the Company for purposes of Section 3.7.

(d) As of the Effective Time, the Shadow Stock program shall terminate. Prior to the Effective Time, the Company shall take all actions reasonably necessary to ensure that, after the Effective Time, no Shadow Stock Units are outstanding and no Newco Employees or Company Employees are entitled to Shadow Stock Units, including making any necessary amendments to the Shadow Stock program to allow the treatment of the Shadow Stock Units contemplated in this Agreement or obtaining any necessary consents from the Shadow Stockholders.

3.6 Dissenting Shares. Notwithstanding any provision of this Agreement to the contrary, Company Shares that are outstanding immediately prior to the Effective Time and which are held by Persons who shall have properly demanded in writing appraisal for such shares in accordance, and who comply in all respects, with Section 262 (or any successor provision) of the DGCL (the "Dissenting Shares") shall not be converted into or represent the right to receive the Merger Consideration as provided hereunder and shall only be entitled to such rights and consideration as are granted by Section 262 (or any successor provision) of the DGCL. Such Persons shall be entitled to receive payment of the appraised value of such Company Shares in accordance with the provisions of Section 262 (or any successor provision) of the DGCL, except that all Dissenting Shares held by Persons who shall have failed to perfect or who effectively shall have withdrawn or lost their right to appraisal of such shares under Section 262 (or any successor provision) of the DGCL shall thereupon be deemed to have been converted into the right to receive the Merger Consideration pursuant to Article 3 hereof as of the

Effective Time or the occurrence of such failure, withdrawal or loss, whichever occurs later. The Company shall give Buyer (i) prompt notice of any demands for appraisal received by the Company, any attempted withdrawals of such demands and any other instruments relating to stockholders' rights of appraisal under the DGCL, in each case, received by the Company, and (ii) the opportunity to participate in negotiations and proceedings with respect to demands for appraisal. The Company shall not, without the prior written consent of Buyer, voluntarily make any payment with respect to, or settle, or offer or agree to settle, any such demand. Any portion of the Merger Consideration made available to the Exchange Agent in respect of Company Shares for which appraisal rights have been perfected shall be returned to Buyer upon demand.

### 3.7 Aggregate Consideration Adjustments.

(a) Not less than ten (10) Business Days prior to Closing, the Company shall prepare (in consultation and cooperation with Buyer) and deliver to Buyer a certificate that sets forth the Company's good faith estimate (together with reasonably detailed back-up data to support such estimate) of (i) the Closing Date Indebtedness, which estimate shall adjust automatically without any further action required by the Parties hereto prior to the Effective Time if necessary to reflect the Revolver Amount applicable to any Existing Credit Facility to the extent included in the Excluded Liabilities (such estimate, the "Estimated Closing Date Indebtedness"), (ii) the Working Capital Adjustment (such estimate, the "Estimated Working Capital Adjustment"), (iii) the Restricted Cash Shortfall (such estimate, the "Estimated Restricted Cash Shortfall") and (iv) the Pre-Closing Taxes, which amount may not be less than zero (such estimate, which shall state the amount of Indemnification Available Excluded Deductions taken into account in such estimate and shall include a copy of the Valuation Opinion referred to in Section 10.6, the "Estimated Pre-Closing Taxes"). Subject to the remainder of this Section 3.7, the Estimated Closing Date Indebtedness, the Estimated Working Capital Adjustment, the Estimated Pre-Closing Taxes and the Estimated Restricted Cash Shortfall shall be determined and prepared in accordance with the methodologies for preparing the Final Closing Date Indebtedness, the Final Working Capital Adjustment, the Final Pre-Closing Taxes and the Final Restricted Cash Shortfall.

(b) Within ninety (90) days following the Closing, the Surviving Corporation shall prepare and deliver to the Seller Representative a statement setting forth the Surviving Corporation's calculation of (i) the Closing Date Indebtedness, (ii) the Restricted Cash Shortfall and (iii) the Pre-Closing Taxes. "Closing Date Indebtedness" means the Indebtedness of the Company, the U.S. Government Subsidiaries and any other Company Subsidiary as of the Closing on a consolidated basis, in each case solely to the extent not included in the Assumed Liabilities, after giving effect to the Contribution, the Sale and the Spin Off but without giving effect to the Financing or Alternative Financing, all as determined and prepared in accordance with the Transaction Accounting Principles. The "Restricted Cash Shortfall" means an amount (which may be a positive or negative number) equal to bonus payments accrued or deemed to accrue as of the Closing Date pursuant to Section 6.8, together with all amounts accrued or deemed to accrue as of the Closing Date under the Company's ECAP for all prior periods pursuant to Section 6.8, all related fringe benefit amounts and all Employment and Withholding Taxes in respect of the foregoing, in each case solely to the extent not included in the Assumed Liabilities, minus the amount (the "Restricted Cash") of cash on hand in bank accounts (reduced by the amount of outstanding checks and other negotiable instruments) located within the United

States of, and immediately available to, the Company to the extent included in Excluded Assets as of the Closing, after giving effect to the Contribution, the Sale and the Spin Off but without giving effect to the Financing or Alternative Financing, all as determined in accordance with the Transaction Accounting Principles. For purposes of determining the Estimated Restricted Cash Shortfall, Restricted Cash will exclude any estimate of any payments pursuant to the Spin Off Agreement as a result of Estimated NAV Transfer Amount exceeding the Final NAV Transfer Amount. For purposes of determining the Final Restricted Cash Shortfall, Restricted Cash will be deemed to include the amount of any payment made pursuant to the Spin Off Agreement as a result of Estimated NAV Transfer Amount exceeding the Final NAV Transfer Amount. During such ninety (90)-day period, Seller Representative shall provide the Surviving Corporation reasonable access to the Seller Representative's personnel, auditors, properties, and records relevant to the calculation of the Closing Date Indebtedness and the Restricted Cash Shortfall (subject to the execution of customary work paper access letters if requested).

(c) Within ninety (90) days following the Closing, Surviving Corporation shall prepare and deliver to Seller Representative a statement setting forth the Surviving Corporation's calculation of the Working Capital Adjustment. The "Working Capital Adjustment" means an amount (which amount may be positive or negative) equal to the Closing Date Working Capital minus the applicable target Closing Date Working Capital set forth on Schedule 1.1(e). "Closing Date Working Capital" means (i) the assets set forth on Schedule 1.1(e) to the extent included in the Excluded Assets as of the Effective Time, minus (ii) the liabilities of the Company and the Company Subsidiaries set forth on Schedule 1.1(e) and liabilities for Company Transaction Expenses, in each case, to the extent not included in the Assumed Liabilities, as of the Effective Time, after giving effect to the Contribution, the Sale and the Spin Off but without giving effect to the Financing or Alternative Financing (except with respect to the Increased Financing Costs) and as determined and prepared in accordance with the Transaction Accounting Principles and minus (iii) the estimated Accrued Liability Amounts determined pursuant to Section 4.4 of the Employee Matters Agreement. For the avoidance of doubt, the assets and liabilities taken into account in calculating the Closing Date Working Capital shall not include (i) Restricted Cash or assets relating to the NAV Transfer Amount or (ii) Indebtedness, liabilities relating to the NAV Transfer Amount or liabilities included in the calculation of the Restricted Cash Shortfall, respectively. Notwithstanding anything to the contrary in this Agreement, liabilities or obligations with respect to which checks or other negotiable instruments are outstanding shall be excluded from the calculation of Closing Date Indebtedness, Restricted Cash Shortfall, Pre-Closing Taxes, and Closing Date Working Capital to the extent the amounts of such checks and other negotiable instruments have reduced Restricted Cash in the calculation of the Restricted Cash Shortfall.

(d) The Seller Representative shall have thirty (30) days following receipt of the statement referred to in Section 3.7(b) and Section 3.7(c), respectively, to deliver to Surviving Corporation a written notice (a "Notice of Dispute") that the Seller Representative disputes Surviving Corporation's calculation of any of the amounts or any portion of the amounts set forth in the applicable statement, which Notice of Dispute shall set forth in reasonable detail the basis for each element of such dispute; provided that any such Notice of Dispute must be limited to one or more allegations that the statement referred to in Section 3.7(b) or Section 3.7(c), as the case may be, (i) contained mathematical errors or (ii) was not prepared in accordance with Section 3.7(b) or Section 3.7(c), as applicable. If the Seller Representative does not deliver a

Notice of Dispute on or before the expiration of the applicable thirty (30)-day period (or if the Seller Representative notifies Surviving Corporation in writing that there is no such dispute), the calculations prepared by Surviving Corporation shall be deemed to be final, binding and conclusive (provided that the calculation of Pre-Closing Taxes will be deemed final solely for purposes of this Section 3.7). In the event the Seller Representative delivers a Notice of Dispute with respect to only certain of the amounts or certain portions of the amounts set forth in the applicable statement but not others, then any undisputed amount or portion thereof shall be deemed to be final, binding and conclusive. In the event the Seller Representative delivers a Notice of Dispute to Surviving Corporation, then the Seller Representative and Surviving Corporation shall cooperate in good faith to resolve any such dispute as promptly as possible. During the aforementioned thirty (30)-day periods, Surviving Corporation shall provide the Seller Representative reasonable access to Surviving Corporation's personnel, properties and records relevant to the calculation of the Working Capital Adjustment, the Closing Date Indebtedness, Pre-Closing Taxes and the Restricted Cash Shortfall, as applicable (subject to the execution of customary work paper access letters if requested).

(e) In the event that Surviving Corporation and the Seller Representative are unable to resolve all such disagreements on or before the thirtieth (30<sup>th</sup>) calendar day following the delivery of the last received Notice of Dispute, Surviving Corporation and the Seller Representative shall retain a nationally recognized independent public accounting firm upon whom Surviving Corporation and the Seller Representative mutually agree (such accounting firm being referred to as the "Accounting Firm"), to resolve all such disagreements. The Accounting Firm may only resolve disagreements as to matters covered by the Notice of Dispute in accordance with Section 3.7(d). All matters not properly covered by the Notice of Dispute shall be deemed to be final, binding and conclusive (provided that the calculation of Pre-Closing Taxes will be deemed final solely for purposes of this Section 3.7). The determination by the Accounting Firm shall be final, binding and conclusive on both the Seller Representative and Surviving Corporation absent manifest error (provided that the calculation of Pre-Closing Taxes will be deemed final solely for purposes of this Section 3.7). Each of Surviving Corporation and the Seller Representative shall promptly provide their assertions regarding the Working Capital Adjustment, the Closing Date Indebtedness, the Restricted Cash Shortfall and the Pre-Closing Taxes, as the case may be, in writing to the Accounting Firm and to each other. Surviving Corporation and the Seller Representative shall each pay the fees and disbursements of their respective internal and independent accountants and other personnel incurred in the initial preparation, review and final determination of the Working Capital Adjustment, the Closing Date Indebtedness and the Restricted Cash Shortfall, as the case may be. All fees and expenses relating to the work, if any, to be performed by the Accounting Firm shall be borne pro rata as between the Seller Representative, on the one hand, and Surviving Corporation, on the other, in proportion to the allocation of the dollar value of the amounts in dispute between the Seller Representative and Surviving Corporation made by the Accounting Firm such that the party prevailing on the greater dollar value of such disputes pays the lesser proportion of the fees and expenses. The Accounting Firm shall be instructed to render its determination as soon as reasonably possible (which the parties hereto agree should not be later than ninety (90) days following the day on which the disagreement is referred to the Accounting Firm). The Accounting Firm shall conduct its determination activities in a manner wherein all materials submitted to it are held in confidence and shall not be disclosed to any Third Parties (other than any designated authorized representative of a party). The Accounting Firm shall base its

determination solely on the written submissions of the parties and shall not conduct an independent investigation. The parties agree that judgment may be entered upon the determination of the Accounting Firm in any court having jurisdiction over the party against which such determination is to be enforced.

(f) For purposes of this Agreement, (i) the "Final Working Capital Adjustment" (which amount may be a positive or negative number) shall mean the Working Capital Adjustment as finally determined in accordance with this Section 3.7, (ii) "Final Closing Date Indebtedness" shall mean the Closing Date Indebtedness as finally determined in accordance with this Section 3.7, (iii) the "Final Restricted Cash Shortfall" (which amount may be a positive or negative number) shall mean the Restricted Cash Shortfall as finally determined in accordance with this Section 3.7, and (iv) "Final Pre-Closing Taxes" shall mean the final estimation of Pre-Closing Taxes solely for purposes of, and determined in accordance with, this Section 3.7.

(g) Upon final determination of the Final Working Capital Adjustment:

(i) if the Final Working Capital Adjustment exceeds the Estimated Working Capital Adjustment, subject to Section 3.12, Buyer shall cause the Company to deliver the amount of such difference to the Exchange Agent to distribute to the Sellers, pro rata in accordance with their respective Escrow Percentages; or

(ii) if the Estimated Working Capital Adjustment exceeds the Final Working Capital Adjustment, the Seller Representative and Buyer shall jointly instruct the Escrow Agent to distribute to Buyer (or at Buyer's direction, to the Company) the amount of such difference from the Working Capital Escrow Account.

(h) Upon final determination of the Final Closing Date Indebtedness:

(i) if the Final Closing Date Indebtedness exceeds the Estimated Closing Date Indebtedness, the Seller Representative and Buyer shall jointly instruct the Escrow Agent to distribute to Buyer (or at Buyer's direction, to the Company) the amount of such difference from the Working Capital Escrow Account; or

(ii) if the Estimated Closing Date Indebtedness exceeds the Final Closing Date Indebtedness, subject to Section 3.12, Buyer shall cause the Company to deliver the amount of such difference to the Exchange Agent to distribute to the Sellers, pro rata in accordance with their respective Escrow Percentages.

(i) Upon final determination of the Final Restricted Cash Shortfall:

(i) if the Estimated Restricted Cash Shortfall exceeds the Final Restricted Cash Shortfall, subject to Section 3.12, Buyer shall cause the Company to deliver the amount of such difference to the Exchange Agent to distribute to the Sellers, pro rata in accordance with their respective Escrow Percentages; or

(ii) if the Final Restricted Cash Shortfall exceeds the Estimated Restricted Cash Shortfall, the Seller Representative and Buyer shall jointly instruct the Escrow

Agent to distribute to Buyer (or at Buyer's direction, to the Company) the amount of such difference from the Working Capital Escrow Account.

(j) Upon final determination of the Final Pre-Closing Taxes (it being understood that such determination does not finally determine the amount of Pre-Closing Taxes for any purposes of this Agreement other than the adjustment in this Section 3.7(j)):

(i) if the Estimated Pre-Closing Taxes exceeds the Final Pre-Closing Taxes, subject to Section 3.12, Buyer shall cause the Company to deliver the amount of such difference to the Exchange Agent to distribute to the Sellers, pro rata in accordance with their respective Escrow Percentages; or

(ii) if the Final Pre-Closing Taxes exceeds the Estimated Pre-Closing Taxes, the Seller Representative and Buyer shall jointly instruct the Escrow Agent to distribute to Buyer (or at Buyer's direction, to the Company) the amount of such difference from the Working Capital Escrow Account.

(k) The payments to be made under Sections 3.7(g), (h), (i) and (j) shall only be made once all of the Final Working Capital Adjustment, the Final Closing Date Indebtedness, the Final Restricted Cash Shortfall and the Final Pre-Closing Taxes have been finally determined (and shall be made within two (2) Business Days of such time) and shall be netted against each other as appropriate. If after taking into account (i) the payments to be made under Sections 3.7(g), (h), (i) and (j), 3.9(f) and 11.8, and (ii) the Pending Claims Amount as of the date of such payments, there are funds remaining in the Working Capital Escrow Account, the Seller Representative and Buyer shall jointly instruct the Escrow Agent to release such funds to the Sellers, pro rata in accordance with their respective Escrow Percentages.

(l) All payments under Sections 3.7(g), (h), (i), (j) and (m) shall be made, together with interest on such amount from the Closing Date to the date of payment at a per annum rate equal to the JPMorgan Chase prime rate (determined as of the Closing Date), by wire transfer of immediately available funds to an account specified in writing by the receiving party, and shall be treated as an adjustment to the purchase price for tax reporting purposes.

(m) Notwithstanding anything to the contrary contained in this Section 3.7, if the amounts available in the Working Capital Escrow Account are insufficient to satisfy the amount payable to Buyer (or at Buyer's direction, to the Company) under Sections 3.7(g), (h), (i) and (j), then the aggregate amount of such insufficiency (without deduction or setoff) shall be satisfied in accordance with the priority set forth in Section 11.8.

3.8 Escrow Amount. At the Closing, Buyer shall, or shall cause Merger Sub to, deposit, by wire transfer of immediately available funds, (a) \$25,000,000 (the "Indemnification Escrow Amount") into an escrow account (the "Indemnification Escrow Account"), (b) \$50,000,000 (the "Working Capital Escrow Amount") into an escrow account (the "Working Capital Escrow Account"), (c) the PLR Escrow Amount, if any, into an escrow account (the "PLR Escrow Account"), and (d) the Spin Off Agreement Escrow Amount (together, with the Indemnification Escrow Amount, the Working Capital Escrow Amount and the PLR Escrow Amount, the "Escrow Amount"), into an escrow account (the "Spin Off Agreement Escrow").

Account” and, together with the Indemnification Escrow Account, the Working Capital Escrow Account and the PLR Escrow Account, the “Escrow Accounts”), each established pursuant to the terms and conditions of an escrow agreement (the “Escrow Agreement”) among the Seller Representative, Buyer, the Company and Wells Fargo Bank, NA, as escrow agent (the “Escrow Agent”), substantially in the form and substance of Exhibit E attached hereto.

### 3.9 Private Letter Ruling.

(a) Promptly upon the issuance of any private letter ruling from the IRS in response to the PLR Request, the Company shall deliver a copy of such private letter ruling to the Seller Representative and Buyer, and representatives of the Company, the Seller Representative and Buyer shall in good faith determine (i) whether the IRS has granted (A) rulings 1, 2 and 4 as requested in the PLR Request (such rulings, collectively, a “Sufficient Ruling”), (B) ruling 3 as requested in the PLR Request and (C) ruling 5 as requested in the PLR Request and (ii) the PLR Amount.

(b) If the parties fail promptly, and in any event within five Business Days after the private letter ruling is delivered to Buyer, to agree as to any of the determinations required pursuant to Section 3.9(a)(B) or (C), the Company, the Seller Representative and Buyer shall promptly present their dispute to the Tax Accountant for resolution in the manner set forth in Section 10.7.

(c) If on or prior to the Closing Date (i) the IRS fails to grant the Company ruling 3 or 5, as requested in the PLR Request or (ii) the Company, the Seller Representative and Buyer do not, in good faith, agree whether the IRS has granted the Company ruling 3 or 5, as requested in the PLR Request, or otherwise disagree as to the aggregate PLR Amount (or any component thereof), and the Tax Accountant has not finally determined the PLR Amount in accordance with Sections 3.9(b) and 10.7, then (x) any amount as to which the Company, the Seller Representative and Buyer agree is included in the PLR Amount shall be the “Undisputed PLR Amount” and (y) the amount, if any, by which the PLR Amount alleged in good faith by Buyer (which shall not exceed the maximum PLR Amount contemplated in the definition of “PLR Amount” in Section 1.1(a) of this Agreement with respect to such component(s)) exceeds the Undisputed PLR Amount with respect to such component(s) shall be the “PLR Escrow Amount”; provided that, prior to the seventh (7<sup>th</sup>) Business Day before the Closing Date, if there are Indemnification Available Excluded Deductions that have not been taken into account in calculating Estimated Pre-Closing Taxes (as provided in Section 3.7(a)), the Company may elect, by written notice to Buyer, to reduce first the Undisputed PLR Amount and then the PLR Escrow Amount up to an aggregate amount equal to the product of (A) the Indemnification Available Excluded Deductions that have not been taken into account in calculating Estimated Pre-Closing Taxes and (B) 0.2732.

(d) Promptly, and in any event within two (2) Business Days after, final determination of the PLR Amount after the Closing, the Seller Representative and Buyer shall jointly instruct the Escrow Agent (i) to distribute to Buyer (or at Buyer’s direction, to the Company) an amount equal to the excess of the finally determined PLR Amount with respect to each component over the Undisputed PLR Amount with respect to such component and (ii) to

release to the Sellers, pro rata in accordance with their respective Escrow Percentages, any amounts remaining in the PLR Escrow Account after the distribution contemplated in clause (i).

(e) All payments under Sections 3.9(d)(i) shall be made, together with interest on such amount from the Closing Date to the date of payment at a per annum rate equal to the JPMorgan Chase prime rate (determined as of the Closing Date), by wire transfer of immediately available funds to an account specified in writing by the receiving party, and shall be treated as an adjustment to the purchase price for tax reporting purposes.

**3.10 NAV Transfer Amount.**

(a) Upon final determination of the Final NAV Transfer Amount pursuant to Section 2.03(g) of the Spin-Off Agreement:

(i) if the Final NAV Transfer Amount exceeds the Estimated NAV Transfer Amount, the Seller Representative and Buyer shall jointly instruct the Escrow Agent to distribute to Buyer (or at Buyer's direction, to the Company) from the funds in the Spin Off Agreement Escrow Account an amount equal to such excess; or

(ii) if the Estimated NAV Transfer Amount exceeds the Final NAV Transfer Amount, the Seller Representative and Buyer shall jointly instruct the Escrow Agent to distribute the funds remaining in the Spin-Off Agreement Escrow Account to the Sellers, pro rata in accordance with their respective Escrow Percentages, provided that the lesser of the amount of the funds remaining in the Spin-Off Agreement Escrow Account, if any, and \$2,000,000 shall not be released from such escrow account.

(b) The payments to be made under Sections 3.10(a) shall only be made once the Final NAV Transfer Amount has been finally determined under the Spin-Off Agreement (and shall be made concurrently with the payments contemplated by Section 2.03(g) and (h) of the Spin-Off Agreement). If, after giving effect to the payments to be made under Sections 3.10(a) there are funds remaining in the Spin-Off Agreement Escrow Account, such funds shall be available to satisfy (1) consent costs of Newco and the Other Subsidiaries, on the one hand, and the Company and the U.S. Government Subsidiaries, on the other hand, not taken into account in the calculation of the Final NAV Transfer Amount and the Final Working Capital Adjustment, respectively, and to be reimbursed pursuant to Section 4.2(f) of the Spin Off Agreement and (2) actual Accrued Liability Amounts and Final Liability Amounts pursuant to Section 4.4(c) of the Employee Matters Agreement. If, after giving effect to any final payment with respect to the Final Liability Amounts required pursuant to Section 4.4(c)(i) or (ii) of the Employee Matters Agreement there are funds remaining in the Spin-Off Agreement Escrow Account, the Seller Representative and Buyer shall jointly instruct the Escrow Agent to release such funds to the Sellers, pro rata in accordance with their respective Escrow Percentages.

**3.11 Deferred Payment.**

(a) On the Deferred Payment Date, Buyer shall pay to the Exchange Agent for release to the Sellers, pro rata in accordance with their respective DPO Percentages, an amount equal to the excess, if any, of (A) the Deferred Obligation Amount over (B) the Deferred Payment Holdback.



(b) Within thirty (30) days following a Change of Control, Buyer shall pay to the Exchange Agent for release to the Sellers, pro rata in accordance with their respective DPO Percentages, an amount equal to the excess, if any, of (A) the Deferred Obligation Amount over (B) the Deferred Payment Holdback.

(c) After any payment referred to in Sections 3.11(a) or 3.11(b), as soon as reasonably practicable after the resolution of each pending and unresolved claim included in the Pending Claims Amount, and subject to any corresponding adjustment to the Settled Claims Amount, the Settled Claims Adjustment Amount, the Deferred Obligation Amount and the Deferred Payment Holdback, Buyer shall pay to the Exchange Agent for release to the Sellers, pro rata in accordance with their respective DPO Percentages, an amount equal to the excess, if any, of (A) the Deferred Obligation Amount over (B) the Deferred Payment Holdback.

(d) Buyer may, at its option, prepay, in whole or in part, the Deferred Obligation Amount, at any time or from time to time without penalty or premium. Buyer shall give written notice to the Seller Representative and the Exchange Agent five (5) Business Days prior to any such optional prepayment.

(e) Within thirty (30) days following a Public Offering, Buyer shall pay to the Exchange Agent for release to the Sellers, pro rata in accordance with their respective DPO Percentages, (x) if the date of such Public Offering is prior to the Termination Date, the lesser of (1) 100% of the Deferred Obligation Amount and (2) an amount equal to (A) the Applicable Prepayment Percentage of the Debt Financing Shortfall, minus (B) the Deemed Principal Amount of any prepayments theretofore made in respect of the Deferred Obligation Amount (exclusive of prepayments under this Section 3.11(e)), plus (C) the Interest Component accreted to such date on the amount being prepaid; provided that such payment shall be reduced as necessary so that the remaining Deferred Obligation Amount shall not be less than the excess of (I) the Indemnification Sub-Limit over (II) the Settled Claims Amount; and (y) at any time on or after the Termination Date, the lesser of (1) 100% of the Deferred Obligation Amount and (2) an amount equal to (A) the Applicable Prepayment Percentage of the Debt Financing Shortfall, minus (B) the Deemed Principal Amount of any prepayments theretofore made in respect of the Deferred Obligation Amount (exclusive of prepayments under this Section 3.11(e)), plus (C) the Interest Component accreted to such date on the amount being prepaid; provided that such payment shall be reduced as necessary so that the remaining Deferred Obligation Amount shall not be less than the Deferred Payment Holdback.

(f) Neither Buyer Parent nor Buyer may pay any dividend on, or make any payment on account of the purchase, redemption, retirement or other acquisition of, any of Equity Interests of Buyer, other than Permitted Payments, unless, substantially concurrently with such dividend or payment, Buyer pays to the Exchange Agent for release to the Sellers, pro rata in accordance with their respective DPO Percentages, an amount equal to the difference of (A) the Deferred Obligation Amount, minus (B) the Deferred Payment Holdback; provided, however, that (x) if the date of such dividend or payment is prior to the Termination Date and (y) such dividend or payment is not made in connection with a leveraged recapitalization transaction, such payment to the Exchange Agent shall be reduced as necessary so that the remaining Deferred Obligation Amount shall not be less than the excess of (I) the Indemnification Sub-Limit over (II) the Settled Claims Amount.

(g) All payments (including prepayments) made by Buyer under this Section 3.11 shall be made to the Exchange Agent in accordance with Section 3.4.

3.12 U.S. Shadow Stock Sellers. Notwithstanding any provision herein to the contrary, with respect to each Seller who is a "United States person" as defined by Section 7701(a)(30) of the Code, who is set forth on Schedule 3.12 and who also hold Shadow Stock Units (a "U.S. Shadow Stock Seller"), no payments shall be made to such U.S. Shadow Stock Sellers with respect to their Shadow Stock Units pursuant to Section 3.5 or 3.11, no amounts shall be deposited into the Exchange Fund (pursuant to Section 3.5, 3.7 or otherwise) to make any payment to the U.S. Shadow Stock Sellers in respect of their Shadow Stock Units and no amounts shall be payable to such U.S. Shadow Stock Sellers with respect to their Shadow Stock Units pursuant to this Agreement, the Exchange Fund or the Escrow Agreement prior to January 1, 2009. Subject to the surrender by the such U.S. Shadow Stock Sellers to the Exchange Agent of a duly executed letter of transmittal, an acknowledgment by the U.S. Shadow Stock Seller of the appointment of the Seller Representative pursuant to Section 13.10, and such other documents as may customarily be required by the Exchange Agent, in each case prior to the first anniversary of the Closing Date, such U.S. Shadow Stock Sellers shall be entitled to receive, in exchange therefor, an amount equal to (A) an amount equal to the Full Cash Amount multiplied by the number of Shadow Stock Units set forth for such person on Section 3.5(b) of the Company Disclosure Schedule, including both vested units and unexercised units, minus (B) an amount equal to the sum of (1) the amount set forth on Section 3.5(b) of the Company Disclosure Schedule as the "Shadow Unexercised Payment" due from such U.S. Shadow Stock Seller and (2) the amount equal to such U.S. Shadow Stock Seller's "Shadow Vested Payment" due, calculated in accordance with Section 3.5(b) of the Company Disclosure Schedule, taking into account the Closing Date, minus (C) an amount equal to the product of (x) the Escrow Amount and (y) such U.S. Shadow Stock Seller's Escrow Percentage with respect to his or her Shadow Stock Units (the "U.S. Shadow Stock Seller Base Payment"); provided that such U.S. Shadow Stock Seller Base Payment will be increased by an amount equal to the interest from the Closing Date until date of payment at a per annum rate equal to JPMorgan Chase prime rate, in effect on the date of payment; provided, further, that such amount otherwise shall be calculated and payable in accordance with Section 3.4, 3.7, 3.9, 3.10, or 3.12 or Articles 10 and 11, as applicable. Such amounts payable to such U.S. Shadow Stock Seller pursuant to this Section 3.12 shall be payable by wire transfer of immediately available funds to an account designated by such holder in the applicable letter of transmittal. On or about (but not prior to) January 2, 2009, Buyer shall deposit into the Exchange Fund the Cash Consideration necessary to make the payments to the U.S. Shadow Stock Sellers pursuant to this Section 3.12. The Company shall deposit into the Exchange Funds any funds necessary to make the payments with respect to the Shadow Stock held by the U.S. Shadow Stock Sellers pursuant to Section 3.7, if any, on the later of (but not prior to) (i) January 2, 2009 and (ii) the date any amounts are deposited into the Exchange Fund with respect to the other Sellers pursuant to Section 3.7. The date of deposit of funds into the Exchange Fund shall be deemed the date of payment. Any payment to the US Shadow Stock Seller pursuant to the Section 3.7 or Escrow Agreement shall be paid to the US Shadow Stock Seller during the 2009 calendar year (and at the time payments are made to other Sellers or, if later, on the first anniversary of the Closing Date) , except for any portion of such amount that has not been released pursuant to Section 10.9 due to (i) any obligation to pay the Buyer Indemnified Parties pursuant to Article 10 and Article 11 or (ii) the assertion of a claim by the Buyer Indemnified Parties in accordance with Article 10 and Article 11 prior to such date

that remain pending and unresolved on such date. Until the letter of transmittal is surrendered as contemplated by Section 3.4 and this Section 3.12, each Shadow Stock Unit shall be deemed after the Effective Time to represent only the right to receive the applicable Cash Consideration in accordance with Sections 3.4 and 3.12; and provided, further, that all payments made pursuant to this Section 3.12 shall be made during (but not prior to or after) the 2009 calendar year.

**ARTICLE 4**  
**REPRESENTATIONS AND WARRANTIES OF THE COMPANY**

Except as disclosed in the Company Disclosure Schedule attached hereto, the Company represents and warrants to Buyer Parent, Buyer and Merger Sub as set forth below.

**4.1 Corporate Existence and Power.**

(a) The Company is a corporation, duly incorporated, validly existing and in good standing under the Laws of the State of Delaware, and has all corporate powers and authority required to own, lease and operate its properties and assets and to carry on its business as now conducted. The Company is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction where the character of the property and assets owned, leased or operated by it or the nature of its activities makes qualification necessary, except where the failure to be so qualified or in good standing would not be reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect. The Company has made available to Buyer true and correct copies of its Organizational Documents.

(b) The Company is not in material violation of its Organizational Documents.

**4.2 Corporate Authorization.** The execution, delivery and performance by the Company of this Agreement and the Ancillary Agreements to which it is a party and the consummation by the Company of the Transactions to which it is a party are within the Company's corporate powers. The execution, delivery and performance by the Company of this Agreement and the Ancillary Agreements to which the Company is a party and the consummation by the Company of the Transactions to which it is a party have been duly and validly authorized by all necessary corporate action and no other corporate proceedings on the part of the Company are necessary to authorize this Agreement or the Ancillary Agreements to which it is a party or to consummate the Transactions, in each case other than the Company Stockholder Approval. Subject to Section 6.3, the Board of Directors of the Company, at a meeting duly called and held, has approved and declared advisable and in the best interests of the Company Stockholders this Agreement, the Merger and the other Transactions and has resolved to recommend that the Company Stockholders vote their Voting Shares in favor of the adoption of this Agreement and approval of the Transactions to which the Company is a party, and has not subsequently rescinded or modified such approval or resolution in any way (the "Company Recommendation"), except pursuant to and in accordance with Section 6.3. This Agreement has been and each Ancillary Agreement to which the Company is a party when executed will be duly and validly executed and delivered by the Company and, assuming that this Agreement and each of the Ancillary Agreements to which it is a party constitutes the valid and binding obligation of the counterparties thereto (other than any Company Subsidiaries), constitutes or, when executed

will constitute, the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms subject, as to enforceability, to bankruptcy, insolvency, reorganization, moratorium and other Laws of general applicability relating to or affecting creditors' rights and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

4.3 Governmental Authorization. The execution, delivery and performance by the Company of this Agreement and the Ancillary Agreements to which it is a party and the consummation by the Company of the Transactions will not require with respect to the Company or any Company Subsidiary any license, consent, approval, action, order, authorization, or permit of, or registration, declaration or filing with, any Governmental Entity, other than (a) the filing of the Certificate of Merger in accordance with the DGCL; (b) compliance with any applicable requirements of any Antitrust Laws; (c) such filings and approvals as may be required by any applicable state securities, "blue sky" or takeover laws; (d) compliance as necessary with National Industrial Security Program Operating Manual (NISPOM) notification requirements; (e) compliance with notice requirements under International Traffic in Arms Regulations (ITAR) and other export control Laws of the United States; (f) compliance with notification requirements in accordance with the Cost Accounting Standards (as defined in the Federal Acquisition Regulations, 48 CFR Chapter 99); and (g) other licenses, consents, approvals, actions, orders, authorizations, permits, registrations, declarations and filings which, if not obtained or made, would not be reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect. The consummation of the Merger and the other Transactions will not result in the lapse of any Permit or the breach of any authorization or right to use any Permit or other right from a Governmental Entity, in each case, that constitutes an Excluded Asset, except where such lapses or breaches would not be reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect.

4.4 Non-Contravention. The execution, delivery and performance by the Company of this Agreement and the Ancillary Agreements to which it is a party and the consummation by the Company of the Merger and the other Transactions do not and will not (a) violate, contravene or conflict with the Organizational Documents of the Company, (b) violate, contravene or conflict with the Organizational Documents of any U.S. Government Subsidiary, (c) assuming compliance with the matters referred to in Section 4.3, violate, contravene or conflict with any provision of any Law binding upon or applicable to the Company or its Subsidiaries or by which any of the Excluded Assets is bound or affected, (d) constitute a breach of or default under (or an event that with notice or lapse of time or both would become a breach or default), require any consent or approval of, or give rise (with or without notice or lapse of time or both) to a right of termination, amendment, cancellation or acceleration under, any Contract binding upon the Company, any U.S. Government Subsidiary or any of their respective properties or assets or any other properties or assets constituting Excluded Assets, (e) result in the creation or imposition of any Lien on any Company Security or U.S. Government Subsidiary Security, or (f) result in the creation or imposition of any Lien on any Excluded Asset, other than, in the case of clauses (c), (d) and (f), any items that would not be reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect.

#### 4.5 Capitalization.

(a) The authorized capital stock of the Company consists solely of (w) 5,000,000 Company Common Shares, (x) 5,000,000 Company Class A Non-Voting Common Shares, (y) 4,000,000 Company Class B Common Shares and (z) 1,000,000 Company Class B Non-Voting Common Shares. As of the date hereof, (i) 1,316,992 Company Common Shares, 409,614 Company Class A Non-Voting Common Shares, 857,447 Company Class B Common Shares and 37,320 Company Class B Non-Voting Common Shares were issued and outstanding, all of which have been duly authorized and validly issued and are fully paid and nonassessable and (ii) no Company Common Shares, no Company Class A Non-Voting Common Shares, no Company Class B Common Shares and no Company Class B Non-Voting Common Shares were held by the Company in treasury. The Funding Consideration Schedule, once delivered, shall be true and correct as of the date or dates as to which it speaks, and no past or present holder of Equity Interests in the Company or any Company Subsidiary shall be entitled to any consideration in respect of Equity Interests in the Company by virtue of the transactions contemplated hereby, except (i) as set forth on the Funding Consideration Schedule or (ii) amounts to the extent, and only to the extent, paid prior to the Closing Date.

(b) Except as set forth in this Section 4.5 or Section 4.5(b) of the Company Disclosure Schedule, neither the Company nor any Company Subsidiary has issued, or reserved for issuance, any, and there are no outstanding, (i) Equity Interests of the Company, (ii) securities convertible into or exercisable or exchangeable for Equity Interests of the Company, (iii) options, warrants or other rights or commitments of any kind to acquire from the Company or any Company Subsidiary, or obligations of the Company or any Company Subsidiary to issue, transfer, or sell any Equity Interests of the Company or securities or other rights convertible into or exchangeable for Equity Interests of the Company, (iv) voting trusts, proxies or other similar agreements or understandings to which the Company or any Company Subsidiary is a party or by which the Company or any Company Subsidiary is bound with respect to the voting of any Equity Interests in the Company or (v) contractual obligations or commitments of any character restricting the transfer of, or requiring the registration for sale of, any Equity Interests in the Company (the items in clauses (i), (ii) and (iii) being referred to collectively as the "Company Securities"). Section 4.5(b) of the Company Disclosure Schedule sets forth a complete and correct list, as of the date hereof, of (w) all outstanding Shadow Stock Units, including the name of the holder thereof, the grant date, the vesting period, the Shadow Stock Vested Payment (as of June 30, 2008), and the Shadow Stock Unexercised Payment, if any, for such Shadow Stock Units, (x) all outstanding stock rights granted under the Stock Rights Plan, including the name of the holder, the grant date, the exercise price and the vesting period for each such stock right, and (y) all outstanding French Free Share Rights (all of which are unvested), including the name of the holder, the grant date, the vesting period and the exercise price, if any, for such French Free Share Rights. The Company terminated the SCAP and paid all benefits and other amounts payable thereunder to the participants (or other beneficiaries) in the SCAP in accordance with the SCAP on or prior to May 14, 2008 and neither the Company nor any U.S. Government Subsidiary shall have any liability or obligation to any current or former Company Employee or Newco Employee, any beneficiary thereof or any other Person under the SCAP. There are no preemptive rights existing with respect to the Equity Interests in the Company. There are no outstanding Contracts or other obligations of the Company or any Company Subsidiary to repurchase, redeem or otherwise acquire any Company Securities.

(c) The Company has no outstanding bonds, debentures, notes or other indebtedness that have the right to vote (or which are convertible into, or exchangeable for, securities having the right to vote) on any matters on which Company Stockholders may vote.

(d) All holders of Company Common Shares and Company Class B Common Shares (together with the associated Company Stock Rights) are currently employed by the Company or one or more of its Subsidiaries except for the shareholders that are disclosed on Section 4.5(d) of the Company's Disclosure Schedule and those holders that leave the employ of the Company after the date hereof and prior to the Closing.

(e) Each Seller is (i) acquiring the Buyer Parent Securities and the interest in the Escrow Amount and the Deferred Obligation Amount for investment for such stockholder's own account, not as a nominee or agent, and not with the view to, or for resale in connection with, any distribution thereof; (ii) an "accredited investor" within the meaning of Regulation D, Rule 501(a), promulgated under the Securities Act; and (iii) sophisticated in financial matters and is able to evaluate the risks and benefits of the investment in Buyer Parent, and is able to bear the economic risks of an investment in Buyer Parent for an indefinite period and could afford a complete loss of such investment. Each Seller has been or, prior to the effective time of the Initial Exchanges, will be granted the opportunity to ask questions of, and receive answers from, representatives of the Company concerning Buyer Parent and the terms and conditions of the Transactions (including the Merger) and to obtain any additional information that such stockholder deems necessary to verify the accuracy of the information so provided. As of the effective time of the Initial Exchanges, the Company shall have made each Seller aware that (A) the Buyer Parent Securities and the interest in the Escrow Amount and the Deferred Obligation Amount are being acquired in a transaction not involving any public offering within the meaning of the Securities Act, in reliance on an exemption therefrom, (B) the Buyer Parent Securities and the interest in the Escrow Amount and the Deferred Obligation Amount have not been approved or disapproved by the Securities and Exchange Commission or by any other federal, state or foreign agency, and that no such agency has passed on the accuracy or adequacy of disclosures made to such Seller in connection with the Transactions, (C) no federal, state or foreign governmental agency has passed on or made any recommendation or endorsement of the Buyer Parent Securities or the interest in the Escrow Amount and the Deferred Obligation Amount, (D) the Buyer Parent Securities and the interest in the Escrow Amount and the Deferred Obligation Amount have not been, and will not be, registered under the Securities Act, or the securities laws of any state or foreign jurisdiction and, unless the Buyer Parent Securities and the interest in the Escrow Amount and the Deferred Obligation Amount are so registered, they may not be offered, sold, transferred or otherwise disposed of except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable securities laws of any state or foreign jurisdiction, (E) such Seller's ability to dispose of the Buyer Parent Securities and the interest in the Escrow Amount and the Deferred Obligation Amount will be subject to restrictions contained in the Articles of Incorporation and Bylaws of Buyer Parent, (F) there will not be any public trading market for Buyer Parent Securities or the interests in the Escrow Amount or the Deferred Obligation Amount and, as a result, such Seller may be unable to sell or dispose of his or her interest in Buyer Parent indefinitely and must continue to bear the economic risk of the investment in Buyer Parent, and (G) Buyer Parent shall have no obligation to register shares of Buyer Parent Securities and the interest in the Escrow Amount and the Deferred Obligation Amount.

#### 4.6 Subsidiaries.

(a) Each U.S. Government Subsidiary (i) is a corporation duly incorporated and is validly existing and in good standing under the Laws of its jurisdiction of incorporation, and has all corporate powers and authority required to own, lease or operate its properties and assets and to carry on its business as now conducted, and (ii) has all governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted and is duly qualified to do business as a foreign corporation or entity and is in good standing in each jurisdiction where the character of the property and assets owned, leased or operated by it or the nature of its activities makes such qualification necessary, in each case in the foregoing clauses (i) and (ii) with exceptions which would not be reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect.

(b) Section 4.6(b) of the Company Disclosure Schedule sets forth the name of all U.S. Government Subsidiaries and, to the extent applicable, the total number of authorized, issued and outstanding Equity Interests of each U.S. Government Subsidiary. The Company is the sole owner, beneficially and of record, of all issued and outstanding Equity Interests of each U.S. Government Subsidiary. All of the outstanding Equity Interests in each U.S. Government Subsidiary (1) have been duly authorized and validly issued and are fully paid and nonassessable, (2) are owned free and clear of any Lien, and (3) are free of any preemptive or similar right. Except as set forth in this Section 4.6 or Section 4.6(b) of the Company Disclosure Schedule, there are no (v) Equity Interests in any U.S. Government Subsidiary, (w) securities convertible into or exercisable or exchangeable for Equity Interests in any U.S. Government Subsidiary, (x) options, warrants or other rights or commitments of any kind to acquire from the Company or any Company Subsidiary, or obligations of the Company or any Company Subsidiary to issue, transfer, or sell any Equity Interests in any U.S. Government Subsidiary or securities or other rights convertible into or exchangeable or exercisable for any Equity Interests in any U.S. Government Subsidiary, (y) voting trusts, proxies or other similar agreements or understandings to which the Company or any Company Subsidiary is a party or by which the Company or any Company Subsidiary is bound with respect to the voting of any Equity Interests in any U.S. Government Subsidiaries or (z) contractual obligations or commitments of any character restricting the transfer of, or requiring the registration for sale of, any Equity Interests in any U.S. Government Subsidiary (the items in clauses (v), (w) and (x) being referred to collectively as the "U.S. Government Subsidiaries Securities"). There are no outstanding Contracts or other obligations of the Company or any U.S. Government Subsidiary to issue, sell, repurchase, redeem or otherwise acquire any U.S. Government Subsidiaries Securities.

(c) The Company has made available to Buyer true and correct copies of the Organizational Documents of each of the U.S. Government Subsidiaries and no U.S. Government Subsidiary is in material violation of its Organizational Documents.

(d) Immediately following the Spin Off and at Closing, except for the U.S. Government Subsidiaries Securities and for the equity interests set forth in Section 4.6(d) of the Company Disclosure Schedules which consist solely of common stock interests without any related additional investment, capital contribution, repurchase or other liabilities or obligations, the Company will not own, directly or indirectly, any capital stock or other ownership interest in any corporation, partnership, joint venture, limited liability company or other Person.

(e) No U.S. Government Subsidiary has any outstanding bonds, debentures, notes or other indebtedness that have the right to vote (or which are convertible into, or exchangeable for, securities having the right to vote) on any matters on which stockholders of such U.S. Government Subsidiary may vote.

**4.7 Financial Statements; No Material Undisclosed Liabilities.**

(a) The Company has delivered to Buyer true and complete copies of the Financial Statements. The Financial Statements (i) have been prepared from, and are in accordance with, the books and records of the Company and the Company Subsidiaries, (ii) have been prepared in accordance with GAAP (except as may be indicated in the notes thereto) consistently applied throughout the periods covered thereby, (iii) fairly present, in all material respects, the consolidated financial position of the Company and the consolidated results of operations and cash flows of the Company for the periods then ended, and (iv) except as set forth on Section 4.7(a) of the Company Disclosure Schedule, fairly present, in all material respects, the financial position of the U.S. Government Business and the results of operations and cash flows of the U.S. Government Business for the periods then ended (in the case of clauses (iii) and (iv) of this Section 4.7(a) with respect to any unaudited interim financial statements, subject to normal year-end adjustments and the absence of notes).

(b) There are no Excluded Liabilities of any kind whatsoever, whether accrued, contingent, absolute, known, unknown, determined, determinable or otherwise, other than: (i) liabilities or obligations (A) disclosed in the Financial Statements or the notes thereto or (B) not required by GAAP to be disclosed or provided for in the audited balance sheet dated as of March 31, 2007 included in the Financial Statements or in the notes thereto; (ii) liabilities or obligations that (A) were incurred after March 31, 2007 in the ordinary course of business consistent with past practice and (B) would not be reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect; (iii) liabilities or obligations disclosed in Section 4.7(b) of the Company Disclosure Schedule; and (iv) liabilities or obligations under this Agreement or (to the extent fully paid and discharged on or prior to the Closing Date or included in the calculation of Closing Date Working Capital) incurred in connection with the Transactions.

(c) The Company and the U.S. Government Subsidiaries have devised and maintained systems of internal accounting controls sufficient to provide reasonable assurances that, in all material respects, (i) all transactions are executed in accordance with management's general or specific authorization, (ii) all transactions are recorded as necessary to permit the preparation of financial statements in conformity with GAAP and to maintain proper accountability for items, (iii) access to their property and assets is permitted only in accordance with management's general or specific authorization and (iv) the recorded accountability for items is compared with the actual levels at reasonable intervals and appropriate action is taken with respect to any differences.

(d) As of March 31, 2008 the funded backlog relating to the U.S. Government Business, calculated in a manner consistent with past practice except as otherwise set forth on Section 4.7(d) of the Company Disclosure Schedule and the Company's policies and procedures,



was \$1,839,700,000. All customer orders reflected in such funded backlog amount were entered into in the ordinary course of business, consistent with past practice.

**4.8 Absence of Certain Changes.**

(a) From April 1, 2007 to the date of this Agreement, the Company and each Company Subsidiary engaged in the U.S. Government Business has conducted the U.S. Government Business in the ordinary course of business consistent with past practice.

(b) From April 1, 2007 to the date of this Agreement, neither the Company nor any Company Subsidiary has taken any action that would be prohibited by clauses (ii), (iv), (v), (vi), (viii), (ix), (x), (xi), (xii) or (with respect to such clauses) (xiii) of Section 6.1(a).

(c) From April 1, 2007 to the date of this Agreement, there have not been any actions, events, occurrences, developments or states of circumstances or facts that would be reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect.

**4.9 Litigation.** Except as set forth in Section 4.9 of the Company Disclosure Schedule, there is no litigation, action, suit, claim, arbitration, investigation or proceeding, whether civil, criminal or administrative, by or before any Governmental Entity or any arbitral or similar body (each, a "Claim"), pending, or, to the Knowledge of the Company, threatened, against the Company or any U.S. Government Subsidiary or otherwise affecting any of the Excluded Assets that would be reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect. Neither the Company nor any U.S. Government Subsidiary nor any of the Excluded Assets nor, to the Knowledge of the Company, the Company Employees, is or are subject to any order, writ, judgment, injunction, decree, settlement, determination or award by or of any Governmental Entity or any arbitral or similar body (an "Order") which would be reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect.

**4.10 Taxes.** Except as would not be reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect, (a) all Tax Returns required to be filed with any taxing authority by, or with respect to, the Company and the Company Subsidiaries have been timely filed in accordance with all applicable Laws and such Tax Returns are true, correct and complete in all respects; (b) the Company and the Company Subsidiaries have timely paid all Taxes due and payable (other than Taxes that are being contested in good faith and for which adequate reserves are reflected in the Financial Statements); (c) as of the date of this Agreement, there is no action, suit, proceeding, audit or claim by any Governmental Entity with respect to Taxes pending or proposed in writing against the Company or any Company Subsidiary; (d) neither the Company nor any U.S. Government Subsidiary is party to, bound by or has any obligation under, any tax sharing Contract or any tax-indemnification Contract other than (i) the Spin Off Agreement and (ii) customary commercial Contracts entered into in the ordinary course of business and not primarily related to Tax matters; (e) there are no Liens with respect to Taxes on any of the Excluded Assets other than with respect to Taxes not due and payable; (f) neither the Company nor any of the Company Subsidiaries (other than the Other Subsidiaries) will be required to include amounts in income, or exclude items of deduction, in a taxable period beginning after the Closing Date as a result of (1) a change in method of accounting occurring

prior to the Closing Date, (2) an installment sale or open transaction arising in a taxable period (or portion thereof) ending on or before the Closing Date, or (3) deferred gains or prepaid income arising from a transaction prior to the Closing Date; (g) all Taxes required to be withheld, collected or deposited by or with respect to the Company and each of the Company Subsidiaries have been timely withheld, collected or deposited as the case may be, and to the extent required, have been paid to the relevant taxing authority; (h) neither the Company nor any of the Company Subsidiaries has engaged in any transaction that is a listed transaction within the meaning of Section 6011 of the Code and the regulations thereunder or any type of transaction that a non-U.S. taxing authority in a jurisdiction in which the Company or such Company Subsidiary is subject to tax has determined to be a "tax shelter" or "tax avoidance transaction"; (i) neither the Company nor any of the Company Subsidiaries is responsible for the Taxes of any other Person (other than the Company or any Company Subsidiary) under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local, or foreign law) or as a transferee or successor; (j) neither the Company nor any of the Company Subsidiaries has distributed any corporation in a transaction intended to qualify under Section 355 of the Code within the past two (2) years, nor has the Company or any Company Subsidiary been distributed in a transaction intended to qualify under Section 355 of the Code within the past two (2) years; (k) neither the Company nor any of the Company Subsidiaries was a "passive foreign investment company" within the meaning of Section 1297 of the Code with respect to the tax year ended March 31, 2007; and (l) neither the Company nor any of the Company Subsidiaries has received notice in writing of any claim made by a Governmental Entity in a jurisdiction where such member does not file a Tax Return that such entity is or may be subject to taxation by such jurisdiction.

#### 4.11 Employee Benefits.

(a) Section 4.11(a) of the Company Disclosure Schedule contains a list of each "employee benefit plan" (within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")), and all stock purchase, stock option, severance, employment, termination, change-in-control, fringe benefit, collective bargaining, bonus, incentive, deferred compensation, employee loan and all other employee benefit plans, agreements, programs, policies or other arrangements sponsored or maintained by the Company or any U.S. Government Subsidiary in which any Company Employee (or any dependent or beneficiary thereof) participates or with respect to which the Company or a U.S. Government Subsidiary will have any direct or indirect liability whether contingent or otherwise as of the Effective Time (collectively, the "Company Plans") that is subject to ERISA or material. The Company has made available to Buyer, with respect to each Company Plan that, as of the Effective Time, covers a Company Employee (or any dependent or beneficiary thereof) (i) a current, accurate and complete copy of each Company Plan and any amendments thereto (or with respect to oral Company Plans, a description thereof); (ii) the most recent trust agreements, insurance contracts or other funding arrangements; (iii) the most recent actuarial report and trust report for funding and financial statement purposes; (iv) the most recent Form 5500 filed with the Internal Revenue Service or any similar reports filed with governmental authorities in any non-U.S. jurisdiction having authority over any Company Plan and all schedules thereto; (v) the most recent summary plan description; (vi) the most recent determination or opinion letter issued by the Internal Revenue Service or similar approval under non-U.S. Law; and (vii) all material communications received from any Governmental Entity (including, but not limited to, the IRS,

the Pension Benefit Guaranty Corporation, the Department of Labor or any other non-U.S. Governmental Entity, including a written description of any material oral communication).

(b) Each Company Plan has been established, maintained and administered in accordance with its terms, and in compliance with the applicable provisions of ERISA, the Code and other applicable Laws, rules and regulations, except where such failure to so comply would not be reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect, and, to the Knowledge of the Company, none of the Company, any U.S. Government Subsidiary, any officer of the Company or any U.S. Government Subsidiary or any of the Company Plans which are subject to ERISA, including any trusts created thereunder or any trustee or administrator thereof, has engaged in a "prohibited transaction" (as such term is defined in Section 406 of ERISA or Section 4975 of the Code, but excluding any transaction that is exempt under a statutory or administrative exemption), in each case, that would subject the Company, any U.S. Government Subsidiary or any officer of the Company or any U.S. Government Subsidiary to the Tax or penalty on prohibited transactions imposed by such Section 4975 or to any liability under Section 502(j) or 502(1) of ERISA. All contributions and premiums required to have been paid by the Company or any U.S. Government Subsidiary with respect to each Company Plan have been paid within the time period prescribed, except for such exceptions that would not be reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect.

(c) Each Company Plan that is intended to be qualified within the meaning of Section 401(a) of the Code has received a favorable determination letter as to its qualification, and, to the Knowledge of the Company, nothing has occurred that would reasonably be expected to adversely effect such qualification.

(d) Neither the Company nor any of the U.S. Government Subsidiaries, nor any other entity which, together with the Company or any of the U.S. Government Subsidiaries would be treated as a single employer under Section 4001 of ERISA or Section 414 (b) or (c) of the Code (an "ERISA Affiliate") sponsors, maintains or contributes to or has in the past six (6) years sponsored, maintained, contributed to or had any liability in respect of any "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA or any pension plan (as defined in Section 3(2) of ERISA) subject to Title IV of ERISA or any Company Plan that is a defined benefit pension plan, whether or not subject to Title IV of ERISA.

(e) As of the Effective Time, neither the Company nor any of the U.S. Government Subsidiaries has or will as a result of the consummation of the Transactions have any liability in respect of post-employment health, medical or life insurance benefits for any Company Employees, except as may be required under the Consolidated Omnibus Reconciliation Act of 1985, as amended.

(f) No event has occurred, and, no condition exists that would, either directly or by reason of the Company's affiliation with any of their ERISA Affiliates, subject the Company or the U.S. Government Subsidiaries to any tax, fine, lien, penalty, or other material liability imposed by ERISA, the Code, or other applicable Laws, rules and regulations.

(g) Except as set forth in Section 4.11(g) of the Company Disclosure Schedule, the execution, delivery, and performance of this Agreement by the Company and the consummation of the Transactions will not (alone or in combination with any other event) result in an increase in the amount of compensation or benefits or the acceleration of the vesting or timing of payment of any compensation or benefits payable to or in respect of any current or former employee, officer, director or independent contractor of the Company or any of the Company Subsidiaries or any increased or accelerated funding obligation with respect to any Company Plan. No payment or deemed payment by the Company or any of the Company Subsidiaries will arise or be made as a result (alone or in combination with any other event) of the execution, delivery and performance of this Agreement by the Company, or the consummation by the Company of the Transactions, that would (x) constitute an "excess parachute payment" for purposes of Section 280G of the Code or (y) to the Knowledge of the Company, be subject to any additional taxes or interest or penalties under Section 409A of the Code.

(h) Each "nonqualified deferred compensation plan" (as defined in Section 409A(d)(1) of the Code) of the Company has been operated since January 1, 2005 in good faith compliance with Section 409A of the Code, the applicable proposed and final regulations thereunder, and any applicable IRS guidance, except for such noncompliance as would not, individually or in the aggregate, be material to the Company.

(i) With respect to each Company Plan, no actions, suits, claims, investigations, arbitrations, litigations, audits or examinations (other than routine claims for benefits by participants and beneficiaries in the ordinary course of business) are pending or, to the Knowledge of the Company, threatened, except as would not be reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect.

(j) Except as disclosed in Section 4.11(j) of the Company Disclosure Schedule, neither the Company nor any of the U.S. Government Subsidiaries has, or, as a result of the consummation of the Transactions, will have, any liability in respect of any Assumed Plan or Newco Plan (as such terms are defined in the Employee Matters Agreement).

(k) No employees that are solely or primarily engaged in the U.S. Government Business are employed by or entitled to benefits under any employee benefit plan maintained or sponsored by any of the Other Subsidiaries.

(l) Except as disclosed in Section 4.11(l) of the Company Disclosure Schedule, to the Knowledge of the Company as of the date of this Agreement, no Company Employees that are officers have given the Company notice of any intent to terminate employment with the Company prior to the Effective Time, including, but not limited to, termination due to retirement.

(m) As of March 31, 1995, there were no retirees or inactive participants with vested rights (including, but not limited to, vested rights according to the relevant German statutory provisions and contractually vested rights) in any pension plan maintained by the Company for the benefit of the employees in Germany.

(n) Effective on or prior to the date of this Agreement, the Company has amended its Officer Retirement Policy to require each officer to provide the Company with not less than 180

days' prior written notice of such officer's retirement date pursuant to the amended Officer Retirement Policy set forth in Section 4.11(n) of the Company Disclosure Schedule, and the Company has not waived any rights to such 180 day prior written notice with respect to any officer. Except as disclosed in Section 4.11(n) of the Company Disclosure Schedule, as of the date of this Agreement, no Company Stockholder has delivered any such notice.

4.12 Compliance with Laws: Permits.

(a) Except for matters covered by the representations and warranties in Sections 4.10, 4.11, 4.16 and 4.19, which shall be covered only by those representations and warranties, and not by this Section 4.12, neither the Company nor any U.S. Government Subsidiary is in violation of, or has violated, any applicable provisions of any Laws, except for violations which would not be reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect. To the Knowledge of the Company, since January 1, 2005 and as of the date of this Agreement, no Laws have been enacted that would reasonably be expected to require a material modification in the manner in which the U.S. Government Business is conducted as of the date of this Agreement.

(b) The Company and each U.S. Government Subsidiary has (and has had at all times since January 1, 2005) all permits, licenses, easements, variances, exemptions, consents, certificates, approvals, authorizations of and registrations (collectively, "Permits") with and under all Laws, and from all Governmental Entities, required for the Company and its Subsidiaries to conduct the U.S. Government Business as currently conducted, except where the failure to have the Permits would not be reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect. Except as set forth in Section 4.12(b) of the Company Disclosure Schedule or as would not be reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect, (i) the Permits identified in the immediately preceding sentence are valid and in full force and effect, (ii) neither the Company nor any of the U.S. Government Subsidiaries is in default under, and no condition exists that with notice or lapse of time or both would constitute a default under, the Permits identified in the immediately preceding sentence and (iii) none of those Permits will be terminated or impaired or become terminable, in whole or in part, as a result of the Transactions.

4.13 Title to Assets. Except for Intellectual Property, which shall be covered only by those representations and warranties, the Company and each U.S. Government Subsidiary has good title to, or valid and enforceable leasehold interests in, or other right to use pursuant to a valid and enforceable contractual arrangement, all of the Excluded Assets, free and clear of all Liens (other than Permitted Liens), except, in each case, as would not be reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect.

4.14 Intellectual Property. Section 4.14 of the Company Disclosure Schedule sets forth a list of all patents and patent applications, trademark and service mark registrations and applications, copyright registrations and domain name registrations owned by the Company or a Company Subsidiary that constitute Excluded Assets. One or more of the Company and the U.S. Government Subsidiaries is the record and beneficial owner of or has a valid license or other right to use pursuant to a valid and enforceable contractual arrangement, free and clear of all Liens, except for Permitted Liens, each invention, trade dress, mask work and other

semiconductor chip right, trademark, service mark, trade name, domain name or other source indicator, patent, trade secret, confidential information, data, technical information, list of suppliers, vendors, customers, distributors, and business partners, industrial design, know-how or copyright (including software) and other similar intellectual property right anywhere in the world included in the Excluded Assets (collectively, the "Company Intellectual Property"), except where failure to be the record and beneficial owner of or have the right to use such properties would not be reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect. The Company or one or more of the Company Subsidiaries uses commercially reasonable efforts and exercises reasonable care, in each case, consistent with industry practices, to protect and maintain the Company Intellectual Property that is material to the U.S. Government Business (including to maintain (A) the issuances, registrations and applications for such Company Intellectual Property and (B) the secrecy of all confidential Company Intellectual Property that derives independent economic value from being maintained in confidence). To the Knowledge of the Company, the Company Intellectual Property is not being infringed or misappropriated by any Third Party, nor, to the Knowledge of the Company, does the conduct of the U.S. Government Business infringe or otherwise conflict with the rights of any Person in respect of any intellectual property. Except as disclosed in Section 4.9 of the Company Disclosure Schedule, neither the Company nor any Company Subsidiary has received any notice of infringement of or challenge to, and there are no Claims or Orders pending or, to the Knowledge of the Company, threatened with respect to any Company Intellectual Property that would be reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect.

4.15 Transaction Fees; Opinions of Financial Advisors.

(a) Except for Credit Suisse Securities (USA) LLC ("Credit Suisse") and Houlihan, Lokey, Howard & Zukin Financial Advisors, Inc. ("Houlihan Lokey"), whose fees and expenses will be paid by the Company at or prior to Closing, there is no investment banker, financial advisor, broker, finder or other intermediary which has been retained by, or is authorized to act on behalf of, the Company or any Company Subsidiary which might be entitled to any fee or commission from the Company, Buyer Parent, Buyer, Merger Sub or any of their respective Affiliates upon consummation of the Merger or the other Transactions. The Company has heretofore furnished to Merger Sub a complete and correct copy of the engagement letters between (i) the Company and Credit Suisse and (ii) the Company and Houlihan Lokey, in each case pursuant to which such firm would be entitled to any payment relating to the Merger and the Transactions.

(b) The Board of Directors of the Company has received the opinion of each of Credit Suisse and Houlihan Lokey, dated as of the date on which the board of directors of the Company approved this Agreement and the Merger, to the effect that, as of such date, and based upon and subject to the assumptions, limitations, qualifications and other matters stated therein, the aggregate Merger Consideration to be received by the holders of Company Shares other than Buyer Parent, Buyer, Merger Sub, the Rolling Stockholders and their respective affiliates in the Merger is fair to such holders of Company Shares from a financial point of view; provided this representation does not confer upon Buyer Parent, Buyer or Merger Sub any rights with respect to such opinions.

4.16 Labor Matters.

(a) Except for those Company Employees with written Contracts that provide otherwise, and that, in each case, are disclosed in Section 4.17(a) of the Company Disclosure Schedule, and except as otherwise provided by applicable Laws, each Company Employee currently employed by the Company or a U.S. Government Subsidiary is an "at will" employee (whose employment may be terminated at any time by the Company or such employee, in each case with or without reason) and has the right to work for the Company or any U.S. Government Subsidiary. The Company Stockholders that are Company Employees as of the date hereof or that will be Company Employees as of the Closing Date are listed in Section 4.16(a) of the Company Disclosure Schedule.

(b) Except as would not be reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect, the Company and the U.S. Government Subsidiaries are in compliance with all applicable Laws governing or concerning labor relations, employment, union and collective bargaining, immigration, fair employment practices, employment discrimination and harassment, terms and conditions of employment, workers' compensation, occupational safety and health, plant closings, and wages and hours, and any other Law applicable to the Company or a U.S. Government Subsidiary including but not limited to ERISA, the Immigration Reform and Control Act of 1986, the National Labor Relations Act, the Civil Rights Acts of 1866 and 1964, the Equal Pay Act, the Age Discrimination in Employment Act, the Americans with Disabilities Act, the Family and Medical Leave Act of 1993, WARN, the Occupational Safety and Health Act, the Davis-Bacon Act, the Walsh-Healy Act, the Service Contract Act, Executive Order 11246, the Fair Labor Standards Act and the Rehabilitation Act of 1973 and all regulations under such acts.

(c) There are no strikes, slowdowns, picketing, work stoppages, concerted refusal to work overtime, lockouts, other material labor controversies or disputes or any unfair labor practice charges pending or, to the Knowledge of the Company, threatened by or between the Company or any Company Subsidiary and any of their respective Company Employees, nor has any such controversy or dispute occurred over the last three (3) years. Neither the Company nor any U.S. Government Subsidiary has recognized a labor union or is a party to, or bound by, any collective bargaining agreement with a labor union or labor organization, nor, to the Knowledge of the Company, have there been any organizing efforts during the past three (3) years, including any petitions for a certification or unionization proceeding.

(d) During the past three (3) years, neither the Company nor any of the Company Subsidiaries has effectuated a "plant closing" or "mass layoff" as those terms are defined in WARN or any similar state Law, affecting in whole or in part any site of employment, facility, operating unit or employee of the U.S. Government Business.

4.17 Material Contracts; Government Contracts.

(a) As of the date of this Agreement, Section 4.17(a) of the Company Disclosure Schedule sets forth all of the following Contracts which, except as set forth in clauses (ix), (x), (xi) and (xii) of this Section 4.17(a) and 4.17(c), constitute Excluded Assets to which the Company or any of the Company Subsidiaries is a party or by which any of their respective

assets which constitute Excluded Assets are bound, in each case as amended through the date hereof (each Contract required to be set forth on such Schedule, a "Material Contract"):

- (i) Contracts that are not in the ordinary course of business and are material to the U.S. Government Business, taken as a whole;
- (ii) Contracts providing for the borrowing of money, whether as borrower or guarantor, or other Indebtedness;
- (iii) joint venture, alliance, limited liability company or partnership Contracts or other similar agreements (other than contractor teaming arrangements (as defined in FAR 9.601(2)) entered into in the ordinary course of business consistent with past practice);
- (iv) Contracts for the acquisition or sale, directly or indirectly (by merger or otherwise), of (x) material assets (whether tangible or intangible), pursuant to which a material "earn out" or similar obligation (whether absolute or contingent) is continuing or for which there is any continuing material indemnification or similar obligation or (y) Company Securities, U.S. Government Subsidiaries Securities or the equity securities of another Person;
- (v) Contracts that grant the right to use Company Intellectual Property that is material to the U.S. Government Business (other than shrink-wrap, click-wrap and off-the-shelf software licenses, and other licenses for software that is commercially available on reasonable terms to the public generally and provide for aggregate payments over the remaining term of such license of less than \$5,000,000);
- (vi) any agreement or series of related agreements for the purchase by the U.S. Government Business of materials, supplies, goods, services, equipment or other assets providing for aggregate payments by the U.S. Government Business over the remaining term of such agreement or related agreements of \$5,000,000 or more per annum or under which payments by the U.S. Government Business of \$5,000,000 or more were made during the twelve (12)-month period ending on November 30, 2007, December 31, 2007 or March 31, 2008 (in each case applying the date set forth for the applicable agreement in Section 4.17(a)(vi) of the Company Disclosure Schedule);
- (vii) any (A) fixed price Contract with an estimated value over the term of the Contract, including base period plus priced options, of \$10,000,000 or more, (B) cost reimbursement Contract with an estimated value over the term of the Contract, including base period plus priced options, of \$50,000,000 or more, (C) time and materials Contract with an estimated value over the term of the Contract, including base period plus priced options, of \$50,000,000 or more, (D) foreign military sales Contract with an estimated value over the term of the Contract, including base period plus priced options, of \$5,000,000 or more, (E) foreign military financing Contract with an estimated value over the term of the Contract, including base period plus priced options, of \$1,000,000 or more, (F) government wide access Contract with an estimated value over the term of the Contract, including base period plus priced options, of



\$100,000,000 or more, or (G) Contract (other than those addressed by the preceding sub-clauses (A) — (F)) with an estimated value over the term of the Contract, including base period plus priced options, of \$50,000,000 or more;

(viii) except for any Contract (A) with an independent contractor for services rendered or to be rendered in the ordinary course of business of the U.S. Government Business and (B) with aggregate payments (including any potential severance payments) by the U.S. Government Business over the term of the Contract of \$100,000 or less, each employment, severance, management consulting and other Contract involving compensation for services rendered or to be rendered, in each case extending beyond December 31, 2008;

(ix) all Contracts and other instruments that provide for any material payment or benefit, or accelerated vesting of a material right, upon the execution hereof or the Closing or in connection with the Transactions (whether or not such Contract or instrument constitutes an Excluded Asset);

(x) any material agreement to enter into any interest rate, derivatives or hedging transaction (whether or not such agreement constitutes an Excluded Asset);

(xi) any agreement (whether or not such agreement constitutes an Excluded Asset) under which (A) any Person (other than the Company or any of its U.S. Government Subsidiaries) has directly or indirectly guaranteed any Excluded Liabilities in excess of \$2,500,000 in the aggregate or (B) the Company or any of its U.S. Government Subsidiaries has directly or indirectly guaranteed any liabilities or obligations of any other Person (other than the Company or any of its U.S. Government Subsidiaries) in excess of \$2,500,000 in the aggregate, in each case other than endorsements for the purpose of collection in the ordinary course of business; or

(xii) Contracts with, or commitments to, Affiliates of the Company (other than U.S. Government Subsidiaries) whether or not such Contract or commitment constitutes an Excluded Asset, in each case to the extent required to be set forth in Section 4.21 of the Company Disclosure Schedule.

(b) Except to the extent expired in accordance with its terms after the date hereof or terminated in a manner permitted by Section 6.1, each Material Contract is a valid and binding agreement of the Company or a Company Subsidiary, as the case may be, and is in full force and effect. Neither the Company nor any Company Subsidiary is, or as of the date of this Agreement, has received any notice that any other party is, in default (each, a "Default") under any Material Contract (and no event has occurred or not occurred through the Company's or any Company Subsidiary's action or inaction or, to the Knowledge of the Company, through the action or inaction of any Third Parties, which with notice or the lapse of time or both would constitute or give rise to a Default), except for those Defaults which would not be reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect. As of the date of this Agreement, to the Knowledge of the Company neither the Company nor any Company Subsidiary has received written notice of the termination of, or intention to terminate, any Material Contract that would be reasonably likely to be, individually or in the aggregate,

material. Complete (in all material respects) copies of each Material Contract have been made available to Buyer.

(c) As of the date of this Agreement, neither the Company nor any Company Subsidiary is party to any Contract containing covenants that would limit in any material respect after the Effective Time the ability of Buyer Parent or any of its Subsidiaries (including the Company and the U.S. Government Subsidiaries) to (i) engage in any line of business or (ii) compete with any Person in any market or line of business (the types of limitations and rights described in clauses (i) and (ii), "Exclusivity Arrangements", which agreements shall be Material Contracts for the purposes hereof).

(d) During the past three (3) years: (i) neither the United States Government nor any prime contractor, subcontractor or other Person has notified the Company or any Company Subsidiaries in writing that the Company or any of the Company Subsidiaries has breached or violated any Law, regulation, certification, representation, clause, provision or requirement pertaining to any government contract or any bid for government contracts; (ii) to the Knowledge of the Company and the individuals listed on Section 4.17(d) of the Company Disclosure Schedule, no contracting officer has advised the Company in connection with any procurement evaluation that the United States Government or any prime contractor or subcontractor has issued a contractor performance assessment or past performance evaluation or assessment relating to the U.S. Government Business with a rating below Satisfactory or the equivalent of satisfactory or average under the rating system employed by such agency, prime contractor or subcontractor submitting the contractor performance assessment or past performance evaluation or assessment, (iii) neither the Company nor any Company Subsidiary nor, to the Knowledge of the Company, any of the Company Employees, is suspended or debarred, or, to the Knowledge of the Company, has been proposed for suspension or debarment, from doing business with the United States Government or is (or during such period was) the subject of a finding of nonresponsibility or ineligibility for United States Government contracting; (iv) except as set forth in Section 4.17(d) of the Company Disclosure Schedule, neither the Company nor any Company Subsidiary has received written notice of the termination for default or convenience of, or, to the Knowledge of the Company, the intention or show cause to terminate for default or the intention to terminate for convenience of, any Government Contract, (v) no money due to the Company nor any Company Subsidiary pertaining to any Government Contract or any bid for government contracts has been withheld or set off nor has any claim been made to withhold or set off money, and the Company or the applicable Company Subsidiary is entitled to all progress payments received with respect thereto, (vi) to the Knowledge of the Company, no stop work order has been issued with respect to any Government Contract or any bid for government contracts, (vii) except for the DCAA Audits and as set forth in Section 4.9 of the Company Disclosure Schedule, no material cost incurred by the Company or any Company Subsidiary pertaining to any Government Contract or any bid for government contracts has been formally questioned or challenged, is the subject of any investigation or has been disallowed by any Governmental Entity, and there have not been any written notices challenging, questioning or disallowing any costs with respect to any Government Contract or any bid for government contracts to the extent that would result in (x) repayment of amounts by the Company to any of its customers pursuant to a Government Contract or (y) reductions in amounts that would otherwise reasonably have been expected to be paid to the Company by any of its customers pursuant to a Government Contract, (viii) there have not been any claims or requests for

equitable adjustment by the Company or any Company Subsidiary against any Governmental Entity or any other Third Party in excess of \$1,000,000 and (ix) the Company's and the Company Subsidiaries' actual incurred costs allocable to any Government Contract have not, nor does the Company anticipate that such actual incurred costs allocable to any Government Contract will, at the time performance of such Government Contract concluded or will conclude, exceed the price or any funding limitation applicable to such Government Contract; in each case in this Section 4.17(d), except as would not, individually or in the aggregate, reasonably be expected to materially and adversely effect the U.S. Government Business, taken as a whole.

(e) The Company's cost accounting system complies with the Cost Accounting Standards (as defined in the Federal Acquisition Regulations, 48 C.F.R. Chapter 99) and, during the past three (3) years, its bids for government contracts have complied with the Truth in Negotiations Act (as codified at 10 U.S.C. § 2306a and 41 U.S.C. 254b) except in each case as would not reasonably be expected to materially adversely effect the U.S. Government Business, taken as a whole.

(f) The Company and its U.S. Government Subsidiaries maintain and possess, and will as of the Effective Time maintain and possess, facility clearances granted pursuant to the NISPOM by either the Department of Defense or such other U.S. government agencies to perform the classified Government Contracts and as otherwise reasonably necessary for the continued conduct of the U.S. Government Business, in substantially the same manner as conducted as of the date hereof. The Company and the U.S. Government Subsidiaries employ sufficient Company Employees with personal security clearances to perform the classified Government Contracts and as otherwise reasonably necessary for the continued conduct of the U.S. Government Business, in substantially the same manner as conducted as of the date hereof, including, as of May 1, 2008, 515 Company Employees with interim secret clearances, 4,190 Company Employees with secret clearances, 328 Company Employees with interim top secret clearances and 7,722 Company Employees with top secret clearances. As of May 1, 2008, 4,853 Company Employees have been granted access to Sensitive Compartmentalized Information. None of the Company, the Company Subsidiaries engaged in the U.S. Government Business, or, to the Knowledge of the Company, any employees holding personal security clearances have violated in any material respect any Law or regulation governing the safeguarding of classified information.

#### 4.18 Real Estate.

(a) Section 4.18(a) of the Company Disclosure Schedule contains a true and complete list of all of the material leases and subleases in which the Company (with respect to the U.S. Government Business) or any U.S. Government Subsidiary is a tenant or subtenant as of the date hereof (the leased and subleased space or parcel of real property thereunder being, collectively, the "Leased Property") (the "Leases"). Except as would not be reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect: (i) the Company (or the applicable U.S. Government Subsidiary) has good and valid title to the leasehold estate (including the right to access and use) in all the Leased Property, free and clear of any Liens against such leasehold estate (other than Permitted Liens), (ii) the Leases are valid, binding and enforceable against the Company or such U.S. Government Subsidiary and, to the Knowledge of the Company as of the date of this Agreement, the other parties to such Lease, in accordance

with their terms and in full force and effect, and (iii) neither the Company (nor the applicable U.S. Government Subsidiary), nor to the Knowledge of the Company, any other party to any Lease, is in default under such Lease, and no event has occurred which, with notice or lapse of time, would constitute a breach or default by the Company (or such U.S. Government Subsidiary) under the Leases. Complete (in all material respects) copies of each Lease have been made available to Buyer.

(b) Neither the Company nor the Company Subsidiaries owns any real property or material interest in real property (other than leasehold interests).

4.19 Environmental. Except as would not be reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect: (i) the Company and each U.S. Government Subsidiary is, and at all times during the last five (5) years has been, in compliance with all applicable Environmental Laws, and possesses and complies with, and at all times during the last five (5) years, possessed and complied with, all applicable Environmental Permits required under such Laws; (ii) there are no Materials of Environmental Concern, nor has there been any release of any Materials of Environmental Concern, at or relating to any property or other facility (A) currently or previously owned or leased by the Company or any U.S. Government Subsidiary or (B) currently or previously managed or operated by the Company or any U.S. Government Subsidiary, in each case that would reasonably be expected to result in any liability under applicable Environmental Law; (iii) during the last five (5) years, neither the Company nor any U.S. Government Subsidiary has (A) received or is otherwise aware of any Claim alleging that it is in violation of or liable under any Environmental Law, (B) received a written notice of violation, notification of liability or potential liability or request for information relating to or arising out of any Environmental Law or (C) been subject to an Order, penalty or fine relating to or arising out of any Environmental Law; and (iv) neither the Company nor any of its U.S. Government Subsidiaries nor, to the Knowledge of the Company, any other Person has caused or taken any action that would reasonably be expected to result in any liability or obligation relating to the environmental conditions at, on, above, under, or about any properties or assets currently or formerly owned, leased, operated or used by the Company or any of its U.S. Government Subsidiaries or any predecessors in interest.

4.20 Insurance. Section 4.20 of the Company Disclosure Schedule lists all insurance policies involving general errors and omissions, directors and officers coverage or environmental liabilities of the Company or any of the U.S. Government Subsidiaries in effect on the date hereof and true and correct copies of such insurance policies have been made available to Buyer. As of the date of this Agreement, there is no material claim by the Company (with respect to the U.S. Government Business) or any U.S. Government Subsidiary pending under any such insurance as to which coverage has been questioned, denied or disputed by the underwriters of such insurance. All premiums payable under such policies have been timely paid, and the Company and the U.S. Government Subsidiaries have otherwise complied fully with the terms and conditions of such policies. Such policies (or as of the Closing, other policies providing substantially similar insurance coverage) have been in effect continuously since January 1, 2004, and remain in full force and effect.

4.21 Affiliate Transactions. Except for (i) any expense reimbursements and advances in the ordinary course of business, (ii) any employment or consulting agreement identified in the

Company Disclosure Schedule and any other employment agreement with officers other than executive officers or (iii) benefits pursuant to a Company Plan, there are no Contracts with more than \$250,000 individually, or with more than \$2,000,000 in the aggregate, of obligations, commitments or payments remaining between the Company or any U.S. Government Subsidiary, on the one hand, and any Company Subsidiary (other than a U.S. Government Subsidiary) or any executive officer or director of the Company or of any Company Subsidiary or any of their immediate family members (including their spouses) or any Person known by the Company to be an Affiliate of such Person, on the other hand. Each such affiliate transaction was on terms and conditions no more favorable to the U.S. Government Business than as would have been obtainable by it at the time in a comparable arms'-length transaction with a Third Party.

4.22 Required Vote. The only vote required of the holders of any class or series of the Company's Equity Interests necessary to adopt this Agreement and to approve the Merger and the other Transactions to which the Company is a party is the approval of at least 75% of the issued and outstanding Voting Shares, voting together as a single class (the "Company Stockholder Approval").

4.23 Information to Be Supplied. The Information Circular will not, at the time of the mailing thereof and at the time of the Company Stockholder Meeting and in light of the circumstances in which they are made, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading. Notwithstanding the foregoing, the Company makes no representation or warranty with respect to any statements made or incorporated by reference in the Information Circular based on information supplied by Buyer Parent, Buyer or Merger Sub in writing specifically for inclusion or incorporation by reference therein.

4.24 Sufficiency of Assets; Operation of the U.S. Government Business. The Excluded Assets, together with any rights provided under the Ancillary Agreements, will constitute (immediately after the Effective Time) in all material respects all of the assets, rights and properties, tangible or intangible, real or personal, of the Company and the Company Subsidiaries which are required for the operation of the U.S. Government Business, as currently operated. No Other Subsidiaries are engaged in any material respect in the operation of the U.S. Government Business, and no material Excluded Assets are owned or held by any Other Subsidiaries.

4.25 Corrupt Practices. Except as would not be reasonably likely to be, individually or in the aggregate, material, neither the Company nor any U.S. Government Subsidiaries, nor, any director, officer, agent, employee (whether full time or contract) or other Person acting on behalf of the Company or any U.S. Government Subsidiaries has, in the course of its actions for, or on behalf of, the Company or any U.S. Government Subsidiaries (a) used or authorized the use of any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (b) offered, made or authorized any direct or indirect unlawful payment to any foreign or domestic government official or employee (whether full time or contract) from corporate funds; or (c) offered, made or authorized any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official or employee (whether full time or contract).

4.26 Export Licenses and Compliance.

(a) To the Knowledge of the Company, the Company and the U.S. Government Subsidiaries have complied in all material respects with applicable U.S. export control laws, including applicable registration, record-keeping, notification, submission, and reporting requirements under U.S. export control laws and under 22 CFR Parts 122 and 124.

(b) Section 4.26(b) of the Company Disclosure Schedule lists all material export, re-export or transshipment licenses, pending license applications, authorizations and manufacturing licenses or technical assistance agreements which are held by the Company or the U.S. Government Subsidiaries as of the date of this Agreement. Except as set forth in Section 4.26(b) of the Company Disclosure Schedule, during the last five (5) years neither the Company nor the U.S. Government Subsidiaries have in any material respect (A) exported, re-exported or transshipped (whether from the United States of America or any other country) a product, technical data or service provided, made, sold or distributed by the Company or the U.S. Government Subsidiaries without the required license or authorization for export, re-export or transshipment from the appropriate Governmental Entity, or (B) disclosed, disseminated or released to a foreign national in the United States a product, technical data or service provided, made, sold, distributed or owned by the Company or the U.S. Government Subsidiaries in a manner that required the Company or the U.S. Government Subsidiaries to obtain a license for deemed export from the United States of America without obtaining such license.

(c) Except as disclosed in Section 4.26(c) of the Company Disclosure Schedule, there have been no voluntary disclosures made by the Company or the U.S. Government Subsidiaries, nor to the Company's Knowledge, have there been any investigations or administrative enforcement actions, pending or in process, by the U.S. Department of State's Directorate of Defense Trade Controls, the U.S. Department of Commerce's Bureau of Industry and Security, or the U.S. Department of Treasury's Office of Foreign Assets Control with respect to any exports or imports by the Company or the U.S. Government Subsidiaries in the last three (3) years.

(d) To the Knowledge of the Company, the Company and the U.S. Government Subsidiaries have not participated directly or indirectly in any export or import transactions that involve any commodity, technical data, products or services, with a Person denied U.S. export privileges or otherwise specially designated or debarred from exporting by the United States Government, except as authorized by applicable Law or Permit.

4.27 DCAA Audits.

(a) Except as set forth in Section 4.27(a) of the Company Disclosure Schedule, the Company's forward pricing and billing rates for flexibly priced Government Contracts for Company fiscal years 2005 through 2008 were below the Company's actual incurred costs by margins sufficient to avoid (i) repayment of amounts by the Company to any of its customers pursuant to a Government Contract and (ii) reductions in amounts that would otherwise reasonably have been expected to be paid to the Company by any of its customers pursuant to a Government Contract, in each case, based upon disallowances by United States Government auditors whether asserted prior to, on or after the date hereof. The Company's forward pricing

and billing rates for Government Contracts for Company fiscal year 2009 are substantially similar to the forward pricing and billing rates included in the Company's flexibly priced Government Contracts for Company fiscal year 2008.

(b) Except as disclosed in Section 4.27(b) of the Company Disclosure Schedule, the disallowances of costs in the audit of the Company's fiscal year 2005 incurred cost submission to the United States Government do not include expressly unallowable costs subject to penalties under Federal Acquisition Regulation §§ 31.110 and 42.709.

**ARTICLE 5  
REPRESENTATIONS AND WARRANTIES OF BUYER PARENT, BUYER AND  
MERGER SUB**

Except as disclosed in the Buyer Disclosure Schedule attached hereto, Buyer Parent, Buyer and Merger Sub, jointly and severally, represent and warrant to the Company that:

**5.1 Corporate Existence and Power.**

(a) Each of Buyer Parent, Buyer and Merger Sub is a corporation duly incorporated, validly existing and in good standing under the Laws of its jurisdiction of incorporation and has all corporate powers and authority required to own, lease and operate its properties and assets and carry on its business as now conducted. Each of Buyer Parent, Buyer and Merger Sub is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction where the character of the property owned, leased or operated by it or the nature of its activities makes qualification necessary, except where the failure to be so qualified or in good standing would not be reasonably likely to have, individually or in the aggregate, a Buyer Material Adverse Effect. Each of Buyer Parent, Buyer and Merger Sub has provided to the Company true and correct copies of its Organizational Documents.

(b) None of Buyer Parent, Buyer or Merger Sub is in material violation of its Organizational Documents.

**5.2 Corporate Authorization.** The execution, delivery and performance by each of Buyer Parent, Buyer and Merger Sub of this Agreement and the Ancillary Agreements to which it is a party and the consummation by each of Buyer Parent, Buyer and Merger Sub of the Merger and the other Transactions to which it is a party are within the corporate powers of Buyer Parent, Buyer and Merger Sub, as the case may be, and have been duly and validly authorized by all necessary corporate action and, assuming the adoption of this Agreement by Buyer, in its capacity as stockholder of Merger Sub (which adoption will occur on the date of this Agreement), no other corporate proceedings on the part of Buyer Parent, Buyer or Merger Sub are necessary to authorize this Agreement, the Ancillary Agreements to which it is a party or to consummate the Transactions to which it is a party. This Agreement has been and each of the Ancillary Agreements to which it is a party when executed will be duly and validly executed and delivered by each of Buyer Parent, Buyer and Merger Sub and, assuming that this Agreement and each of the Ancillary Agreements to which it is a party constitutes the valid and binding obligation of the counterparties thereto (other than Buyer Parent, Buyer and Merger Sub), constitutes, or when executed will constitute, the legal, valid and binding obligation of Buyer

Parent, Buyer and Merger Sub, as the case may be, enforceable against Buyer Parent, Buyer and Merger Sub, as applicable, in accordance with its terms subject, as to enforceability, to bankruptcy, insolvency, reorganization, moratorium and other Laws of general applicability relating to or affecting creditors' rights and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

5.3 Governmental Authorization. The execution, delivery and performance by each of Buyer Parent, Buyer and Merger Sub of this Agreement and the Ancillary Agreements to which it is a party and the consummation by Buyer Parent, Buyer and Merger Sub of the Transactions will not require with respect to Buyer Parent, Buyer or Merger Sub any license, consent, approval, action, order, authorization, or permit of, or registration, declaration or filing with, any Governmental Entity other than (a) those set forth in clauses (a) through (f) of Section 4.3 and (b) other licenses, consents, approvals, actions, orders, authorizations, permits, registrations, declarations and filings which, if not obtained or made, would not be reasonably likely to have, individually or in the aggregate, a Buyer Material Adverse Effect.

5.4 Non-Contravention. The execution, delivery and performance by Buyer Parent, Buyer and Merger Sub of this Agreement and the Ancillary Agreements to which it is a party and the consummation by Buyer Parent, Buyer and Merger Sub of the Merger and the other Transactions do not and will not (a) violate, contravene or conflict with the Organizational Documents of Buyer Parent, Buyer or Merger Sub, (b) assuming compliance with the matters referred to in Section 5.3, violate, contravene or conflict with any provision of Law binding upon or applicable to Buyer Parent, Buyer or Merger Sub or by which any of their respective properties or assets is bound or affected, (c) constitute a breach or default under (or an event that with notice or lapse of time or both would be reasonably likely to become a breach or default), require any consent or approval of, or give rise (with or without notice or lapse of time or both) to a right of termination, amendment, cancellation or acceleration under, any Contract binding upon, Buyer Parent, Buyer or Merger Sub or their respective properties or assets, or (d) result in the creation or imposition of any Lien on any asset of Buyer Parent, Buyer or Merger Sub, other than, in the case of clauses (b), (c) and (d) taken together, any such items that would not be reasonably likely to have, individually or in the aggregate, a Buyer Material Adverse Effect.

5.5 Financing.

(a) As of the date of this Agreement, Buyer Parent has received an executed equity commitment letter dated the date hereof (the "Equity Commitment Letter") from the Guarantor to provide equity financing in an aggregate amount of \$1,000,000,000, subject to the terms and conditions set forth therein. A true and complete copy of the Equity Commitment Letter has been previously provided to the Company. Buyer Parent has fully paid any and all commitment fees or other fees required by the Equity Commitment Letter to be paid on or before the date hereof and will pay all additional fees as they become due. As of the date hereof the Equity Commitment Letter is valid and in full force and effect, does not contain any material misrepresentation by Buyer Parent and, to the Knowledge of Buyer Parent, no event has occurred which (with or without notice, lapse of time or both) would constitute a breach thereunder on the part of Buyer Parent, Buyer or Merger Sub. Except for the payment of customary fees, there are no conditions precedent or other contractual contingencies related to the funding of the full amounts contemplated by the equity financing arrangements contemplated by the Equity



Commitment Letter (the "Equity Financing"), other than as set forth in the Equity Commitment Letter. The aggregate proceeds contemplated by the Equity Commitment Letter, subject to obtaining the Debt Financing, together with available cash of Buyer and Merger Sub, will be sufficient for Merger Sub and the Surviving Corporation to pay the Aggregate Consideration and the fees and expenses incurred in connection with the Transactions, including the Buyer Termination Fee, if applicable. No Contract between the Guarantor and Buyer Parent or any of their respective Affiliates contains any conditions precedent or other contractual contingencies related to the funding of the full amount of the Equity Financing or any provisions that could reduce the aggregate amount of the Equity Financing set forth in the Equity Commitment Letter or the aggregate proceeds contemplated by the Equity Commitment Letter, other than as set forth in the Equity Commitment Letter. As of the date hereof, assuming the accuracy of the representations and warranties set forth in Article 4, none of Buyer Parent, Buyer or Merger Sub has any reason to believe that any of the conditions to the Equity Financing will not be satisfied or that the Equity Financing will not be available to Buyer Parent, on the Closing Date.

(b) As of the date of execution by Buyer Parent of the Debt Commitment Letter pursuant to Section 8.7, (1) Buyer Parent shall have paid any and all commitment fees or other fees required by the Debt Commitment Letter to be paid on or before such date and will pay additional fees as they become due; (2) the Debt Commitment Letter shall be valid and in full force and effect, shall not contain any material misrepresentation by Buyer Parent and, to the Knowledge of Buyer Parent, no event shall have occurred which (with or without notice, lapse of time or both) would constitute a breach thereunder on the part of Buyer Parent, Buyer or Merger Sub; (3) except for the payment of customary fees and except as identified by Buyer Parent to the Company pursuant to Section 8.7(c), there shall be no conditions precedent or other contractual contingencies related to the funding of the full amounts contemplated by the debt financing arrangements contemplated by the Debt Commitment Letter, other than as set forth in the Debt Commitment Letter; (4) the aggregate proceeds contemplated by the Commitment Letters (taking into account the Debt Financing Shortfall Amount), together with available cash of Buyer and Merger Sub, shall be sufficient for Merger Sub and the Surviving Corporation to pay the Aggregate Consideration and the fees and expenses incurred in connection with the Transactions, including the Buyer Termination Fee, if applicable; and (5) except as identified by Buyer Parent to the Company pursuant to Section 8.7(c), neither the fee letter between Buyer Parent and Lender to be referenced in the Debt Commitment Letter nor any other Contract between the Lender and Buyer Parent or any of their respective Affiliates will contain any conditions precedent or other contractual contingencies related to the funding of the full amount of the Debt Financing or any provisions that could reduce the aggregate amount of the Debt Financing or the aggregate proceeds contemplated by the Debt Commitment Letter, other than as set forth in the Debt Commitment Letter.

#### 5.6 Ownership and Operations of Buyer Parent, Buyer and Merger Sub.

(a) As of the date of this Agreement, the authorized capital stock of Merger Sub consists of 1,000 shares of common stock, par value \$0.01 per share, all of which are validly issued and outstanding. All of the issued and outstanding capital stock of Merger Sub is, and immediately prior to the Effective Time will be, owned by Buyer.

(b) As of the date of this Agreement, the authorized capital stock of Buyer consists of 1,000 shares of common stock, par value \$0.01 per share, all of which are validly issued and outstanding. All of the issued and outstanding capital stock of Buyer is, and immediately prior to the Effective Time will be, owned by Buyer Parent.

(c) The shares of Buyer Parent Common Stock, Buyer Parent Non-Voting Common Stock, Buyer Parent Restricted Stock, Buyer Parent Special Voting Stock and Merger Rolling Stockholder Stock to be issued as Exchange Equity pursuant to this Agreement or the Exchange Agreements, or in connection with the exercise of Buyer Parent Options shall have been duly authorized and when issued in the Merger or the Exchanges, or in connection with the issuance or exercise of such Buyer Parent Options, as applicable, pursuant to the terms of this Agreement or the applicable Exchange Agreement or Option Agreement will be validly issued, fully paid, non-assessable and free of preemptive rights. All other shares of Buyer Parent Common Stock to be issued on or prior to the Closing Date shall have been duly authorized and will be issued to the Guarantor or one or more of the Guarantor's Affiliates in exchange for consideration per share no less than \$100.00 and when issued will be validly issued, fully paid, non-assessable and free of preemptive rights. Except as set forth in Section 5.6(c) of the Buyer Disclosure Schedule, no other shares of Buyer Parent Non-Voting Common Stock, Buyer Parent Restricted Stock, Buyer Parent Common Stock, Buyer Parent Special Voting Stock or Merger Rolling Stockholder Stock will be issued on or prior to the Closing Date.

(d) As of the date of this Agreement, (i) the authorized capital stock of Buyer Parent consists solely of 1,000 shares of Buyer Parent Common Stock, all of which are validly issued and outstanding, (ii) the Guarantor is the sole stockholder of Buyer Parent, and (iii) true and complete copies of the bylaws and the certificate of incorporation of Buyer Parent are included in Section 5.6(d) of the Buyer Disclosure Schedule.

(e) Except as set forth in this Section 5.6 or in Section 5.6 of the Buyer Disclosure Schedule, and except for Buyer Parent Options, none of Buyer Parent, Buyer or Merger Sub has issued, or reserved for issuance, any, and there are no outstanding, (x) Equity Interests of Buyer Parent, Buyer or Merger Sub, (y) securities of Buyer Parent, Buyer or Merger Sub convertible into or exercisable or exchangeable for Equity Interests of Buyer Parent, Buyer or Merger Sub or (z) options, warrants or other rights to acquire from Buyer Parent, Buyer or Merger Sub, or obligations of Buyer Parent, Buyer or Merger Sub to issue, any Equity Interests of Buyer Parent, Buyer or Merger Sub or securities or other rights convertible into or exchangeable for Equity Interests of Buyer Parent, Buyer or Merger Sub (the items in clauses (x), (y) and (z) being referred to collectively as the "Buyer Entity Securities"). There are no outstanding Contracts or other obligations of Buyer Parent, Buyer or Merger Sub to repurchase, redeem or otherwise acquire any Buyer Entity Securities. Neither Buyer Parent, Buyer nor Merger Sub has any outstanding bonds, debentures, notes or other Indebtedness that have the right to vote (or which are convertible into, or exchangeable for, securities having the right to vote) on any matters on which a holder of stock in Buyer Parent, Buyer or Merger Sub may vote.

(f) Buyer Parent was incorporated on May 12, 2008. Buyer was incorporated on May 12, 2008. Merger Sub was incorporated on May 12, 2008. Since their respective inceptions, none of Buyer Parent, Buyer or Merger Sub has engaged in any activity, other than such actions incident to (i) its organization and (ii) the preparation, negotiation and execution of

this Agreement, the Ancillary Agreements, the Financing and the Transactions. None of Buyer Parent, Buyer or Merger Sub has had any operations or generated any revenues or has any liabilities other than those incurred in connection with the foregoing and in association with the Merger as provided in this Agreement.

(g) Other than the Equity Commitment Letter, there are no Contracts or other understandings or arrangements between Buyer Parent, Buyer or Merger Sub, on the one hand, and any of their respective Affiliates, including Guarantor, on the other hand.

5.7 Information to Be Supplied. The information supplied or to be supplied by Buyer Parent, Buyer and Merger Sub (if any) in writing specifically for inclusion or incorporation by reference in the Information Circular will, at the time of the mailing of the Information Circular and at the time of the Company Stockholder Meeting, not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. Notwithstanding the foregoing, Buyer Parent, Buyer and Merger Sub make no representation or warranty with respect to any such statements made or incorporated by reference in the Information Circular to the extent based on information supplied by the Company or any of its Representatives for inclusion or incorporation by reference therein.

5.8 Solvency; Surviving Corporation After the Merger. None of Buyer Parent, Buyer or Merger Sub is entering into the Transactions with the actual intent to hinder, delay or defraud either present or future creditors. Assuming that the representations and warranties of the Company contained in this Agreement are true and correct in all material respects, that the representations and warranties of the parties to the Ancillary Agreements (other than Buyer Parent, Buyer and Merger Sub) contained in the Ancillary Agreements are true and correct in all material respects, that Buyer Parent, Buyer and the Surviving Corporation will have no liability with respect to any Assumed Liabilities or any other liabilities or obligations with respect to Newco or any Other Subsidiary or Pre-Closing Taxes in excess of amounts for which indemnification can be obtained, and the opinions set forth in the Solvency Opinion to be delivered pursuant to Section 6.11 (and the assumptions underlying such opinions) are true and correct as of the effective time of the Spin Off, and after giving effect to the Merger and the other Transactions, in addition to the Financing, at and immediately after the Effective Time, each of Buyer Parent, Buyer and the Surviving Corporation (i) will be solvent (in that both the fair value of their respective assets will not be less than the sum of their respective debts and that the present fair saleable value of their respective assets will not be less than the amount required to pay the probable liability on their respective recourse debts as they mature or become due); (ii) will have adequate capital and liquidity with which to engage in their respective businesses; and (iii) will not have incurred and do not plan to incur debts beyond such Person's ability to pay as they mature or become due.

5.9 Vote/Approval Required. No vote or consent of the holders of any class or series of capital stock of Buyer Parent or Buyer is necessary to approve this Agreement, any Ancillary Agreement or the Merger or the other Transactions. The vote of Buyer, as the sole stockholder of Merger Sub, is the only vote or consent of the holders of any class or series of capital stock of Buyer Parent, Buyer or Merger Sub necessary to adopt this Agreement and approve any

Ancillary Agreement or the Merger or the Transactions, and Buyer will cause such vote to be obtained on the date of this Agreement promptly after the execution of this Agreement.

5.10 Litigation. As of the date of this Agreement, there is no Claim pending, or, to the Knowledge of Buyer Parent, Buyer or Merger Sub, threatened, against or affecting Buyer Parent, Buyer or Merger Sub or against any of their respective assets, properties or employees that would be reasonably likely to have, individually or in the aggregate, a Buyer Material Adverse Effect, and none of Buyer Parent, Buyer or Merger Sub or any of their respective properties or assets or, to the Knowledge of Buyer Parent, Buyer or Merger Sub, employees is or are subject to any Order that would be reasonably likely to have, individually or in the aggregate, a Buyer Material Adverse Effect.

## ARTICLE 6 COVENANTS OF THE COMPANY

### 6.1 Company Interim Operations.

(a) Except as set forth in Section 6.1 of the Company Disclosure Schedule or as otherwise contemplated or expressly permitted by this Agreement or any Ancillary Agreement, without the prior written consent of Buyer (which consent shall not be unreasonably withheld, conditioned or delayed), from the date hereof until the Effective Time, (x) the Company shall, and shall cause each of the Company Subsidiaries to, conduct the U.S. Government Business in all material respects in the ordinary course of business, consistent with past practice and (y) the Company shall, and shall cause the Company Subsidiaries to, use their commercially reasonable efforts to preserve intact the U.S. Government Business, the material Excluded Assets and the relationships of the U.S. Government Business with material customers and suppliers and others having material business dealings with it, and to keep available the services of the present directors, officers, Principals and significant employees of the U.S. Government Business. Without limiting the generality of the foregoing, except as set forth in Section 6.1 of the Company Disclosure Schedule or as otherwise contemplated by this Agreement or any Ancillary Agreement, from the date hereof until the Effective Time, without the prior written consent of Buyer (such consent not to be unreasonably withheld, conditioned or delayed), the Company shall not, nor shall it permit any of the Company Subsidiaries to, directly or indirectly:

(i) amend the Organizational Documents of the Company or any U.S. Government Subsidiary;

(ii) in respect of the Company and any U.S. Government Subsidiaries, (A) split, combine or reclassify any Company Securities or U.S. Government Subsidiaries Securities or amend the terms of any rights, warrants or options to acquire Company Securities or U.S. Government Subsidiaries Securities, (B) except for dividends or distributions to the Company or any U.S. Government Subsidiaries, set aside or pay any dividend or other distribution (whether in cash, stock or property or any combination thereof) in respect of its Equity Interests or otherwise make any payments to holders of such Equity Interests in their capacities as such, or (C) except prior to the amendment of the Stock Rights Plan pursuant to Section 6.5 and as expressly required pursuant to the Stock Rights Plan, redeem, repurchase or otherwise acquire any Company Securities or

U.S. Government Subsidiaries Securities or permit any holder of a Company Stock Right to exercise such right (other than pursuant to the Acceleration);

(iii) issue, deliver, sell, exchange, grant, pledge, encumber or transfer or authorize the issuance, delivery, sale, grant, pledge, encumbrance or transfer of, any Company Securities or U.S. Government Subsidiaries Securities (other than the exercise of Company Stock Rights listed in Section 6.1 of the Company Disclosure Schedule under the Stock Rights Plan) or name or otherwise appoint any new officers of the Company or any of the Company Subsidiaries to the extent such appointment would entitle such new officer to Company Shares;

(iv) acquire, directly or indirectly (whether pursuant to merger, stock or asset purchase, joint venture or otherwise), in one transaction or series of related transactions any Person, any business of any Person, any Equity Interests of any Person or all or substantially all of the assets of any Person, or otherwise merge or consolidate with any other Person;

(v) sell, lease, license, encumber or otherwise dispose of any Excluded Assets, other than (A) obsolete equipment and property no longer used in the operation of the U.S. Government Business, (B) licensing Company Intellectual Property in the ordinary course of business, consistent with past practice, and (C) assets which do not have a value of more than \$1,000,000 individually or \$5,000,000 in the aggregate and sold or licensed in the ordinary course of business, consistent with past practice;

(vi) (A) except under the Existing Credit Facilities in the ordinary course of business consistent with past practice, incur any Indebtedness if such Indebtedness would constitute an Excluded Liability, or (B) issue or sell any debt securities or warrants or other rights to acquire any debt securities to the extent such debt securities would constitute Excluded Liabilities;

(vii) (A) enter into any Exclusivity Arrangements or any affiliate transaction described in Section 4.21, or (B) enter into any Material Contract, except in the ordinary course of business consistent with past practice, or materially amend or terminate any Material Contract;

(viii) except as required by applicable Law or the terms of any Company Plan existing as of the date of this Agreement; (A) increase the compensation or fringe benefits of any director, officer, Principal or employee of the Company (with respect to the U.S. Government Business) or any U.S. Government Subsidiary (other than increases in salary of employees who are not officers in the ordinary course of business or the payment of accrued or earned but unpaid bonuses, including for new hires and promotions), (B) grant or alter the terms of any severance, retention or termination pay or benefit to any director, officer, Principal or key employee of the Company (with respect to the U.S. Government Business) or any U.S. Government Subsidiary (other than (x) payment in the in the ordinary course of business consistent with past practice to any employee whose employment is terminated between the date hereof and the Closing Date and (y) newly hired directors, officers and Principals receiving the benefits

of the Company's standard severance plan as in effect on the date of this Agreement), (C) establish, adopt, enter into, amend or terminate any Company Plan or any Contract that would be a Company Plan if it were in existence as of the date of this Agreement, (D) transfer the employment of any Company Employee to the Other Business or transfer the employment of any employee of the Other Business to the Company or any of the U.S. Government Subsidiaries, (E) waive any notice requirement under the Officer Retirement Policy or amend its Officer Retirement Policy, or (F) except as set forth in Section 6.1 of the Company Disclosure Schedule, terminate the employment of any Company Employee that is a Company Stockholder as of the date hereof;

(ix) change the Company's methods of accounting in effect at March 31, 2007, except as required by changes in GAAP or U.S. Government cost accounting regulations;

(x) (A) except for the payment of any deductible under an existing insurance policy with respect to a Claim that is being settled by such insurance company, settle, pay, compromise or discharge, any Claim (other than with respect to Tax liabilities, which are covered by clause (xi) below) that (x) requires any payment by the Company (if such payment obligation would constitute an Excluded Liability if not paid) or any U.S. Government Subsidiary in excess of \$1,000,000 individually or \$5,000,000 in the aggregate or (y) involves any restrictions on the conduct of the U.S. Government Business or other equitable remedies that adversely affect the U.S. Government Business or (B) forgive, settle, pay, compromise or discharge any Claim against the Company or any U.S. Government Subsidiary with respect to or arising out of the Transactions;

(xi) (A) make or change any material Tax election, (B) enter into any settlement or compromise of any Tax liability that could result in the payment by the Company and/or any Company Subsidiary of more than \$4,000,000 individually or \$12,000,000 in the aggregate or claim for any material Tax refund or (C) enter into any closing agreement relating to any material Tax;

(xii) fail to pay or satisfy in the ordinary course of business consistent with past practice any material liability or obligation of the Company or any Company Subsidiary to the extent such liabilities or obligations would constitute Excluded Liabilities (other than any such liability that is being contested in good faith); and

(xiii) agree to do any of the foregoing.

(b) Buyer Parent, Buyer and Merger Sub acknowledge and agree that (i) nothing contained in this Agreement shall give Buyer Parent, Buyer or Merger Sub, directly or indirectly, the right to control or direct the Company's or the U.S. Government Subsidiaries' operations prior to the Effective Time, and (ii) prior to the Effective Time, each of the Company, on the one hand, and Buyer Parent, Buyer and Merger Sub, on the other hand, shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision over their respective operations.

6.2 Company Stockholder Meeting. The Company (a) shall use reasonable best efforts to take, or cause to be taken, all actions and do, or cause to be done, as promptly as reasonably practicable, all things necessary, proper or advisable to cause a meeting of the Company Stockholders (the "Company Stockholder Meeting") to be duly called and held, including by mailing the Information Circular to the Company Stockholders of record as of the applicable record date established by the Board of Directors of the Company in accordance with Section 8.3, on or prior to June 13, 2008 and (b) in any event, shall cause the Company Stockholder Meeting to be duly called and held as described in Section 6.2(a) prior to the date that is sixty-five (65) days after the date hereof, in any case for the purpose of obtaining the Company Stockholder Approval. Subject to Section 6.3 (including the right of the Company's Board of Directors to amend, withdraw, modify, change, condition or qualify the Company Recommendation pursuant to Section 6.3(c)), the Company's Board of Directors shall recommend adoption by the Company Stockholders of this Agreement and approval by the holders of Voting Shares of the Transactions to which the Company is a party, including the Merger, and the Company shall take all other reasonable lawful action to solicit and secure the Company Stockholder Approval. Subject to Section 6.3 (including the right of the Company's Board of Directors to amend, withdraw, modify, change, condition or qualify the Company Recommendation pursuant to Section 6.3(c)), the Company Recommendation, together with copies of the opinions referred to in Section 4.15(b), shall be included in the Information Circular. Notwithstanding anything to the contrary contained in this Agreement, the Company (in its sole discretion) may adjourn or postpone the Company Stockholder Meeting (but not beyond the date that is sixty-five (65) days from the date hereof) to the extent necessary (i) to ensure that any supplement or amendment to the Information Circular, which is necessary to ensure that the Information Circular does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they are made, not misleading, is provided to the Company Stockholders in advance of a vote to obtain the Company Stockholder Approval or (ii) if as of the time for which the Company Stockholder Meeting is originally scheduled there is an insufficient number of Voting Shares represented (either in person or by proxy) to constitute a quorum necessary to conduct the business of the Company Stockholder Meeting. Notwithstanding the foregoing, the Company may call another meeting of the Company Stockholders as appropriate to comply with Section 6.5, which meeting, for the avoidance of doubt, shall not be considered the "Company Stockholder Meeting" as such term is used in this Agreement.

6.3 Solicitation; Acquisition Proposals; Board Recommendation.

(a) The Company shall, and shall cause the Company Subsidiaries and the officers, directors, employees, consultants, agents, advisors, affiliates and other representatives (collectively, "Representatives") of the Company and any Company Subsidiary to, immediately cease any existing solicitations, discussions and negotiations with any Person (other than the parties hereto) with respect to an Acquisition Proposal. From and after the date hereof, the Company agrees that it shall not, nor shall it permit any Company Subsidiary to, nor shall it authorize or knowingly permit any Representative of the Company or any Company Subsidiary, directly or indirectly, to (i) solicit, initiate or otherwise knowingly encourage the submission of any proposal that constitutes, or that would reasonably be expected to lead to, any Acquisition Proposal, (ii) participate in any discussions or negotiations regarding, or furnish to any Person

any non-public information with respect to the Company or any Company Subsidiary or in connection with, or take any other action knowingly to facilitate or encourage any inquiries or the making of any proposal that constitutes, or that would reasonably be expected to lead to, any Acquisition Proposal, (iii) enter into any letter of intent or agreement in principle or any other agreement providing for any Acquisition Proposal, (iv) approve, endorse or recommend any Acquisition Proposal, or (v) resolve, propose or agree to do any of the foregoing. Without limiting the foregoing, it is understood that any violation of the foregoing restrictions by any Company Subsidiary or any Representative of the Company or any Company Subsidiary shall be deemed to be a breach of this Section 6.3(a) by the Company. Notwithstanding anything to the contrary contained in this Section 6.3(a), if the Company receives an unsolicited Acquisition Proposal from a Third Party that constitutes a Superior Proposal or that the Company's Board of Directors determines in good faith could reasonably be expected to lead to the delivery of a Superior Proposal from that Third Party, prior to obtaining the Company Stockholder Approval, the Company may, subject to compliance with the provisions of Section 6.3, furnish information, including non-public information, to, and engage in discussions and negotiations with, such Third Party with respect to its Acquisition Proposal.

(b) Except as set forth in this Section 6.3(b), neither the Board of Directors of the Company nor any committee thereof shall (i) amend, withdraw, modify, change, condition or qualify the Company Recommendation in a manner adverse to Buyer Parent, Buyer or Merger Sub, (ii) enter into any letter of intent or agreement in principle or any other agreement providing for any Acquisition Proposal, (iii) approve, endorse or recommend any Acquisition Proposal, or (iv) resolve, propose or agree to do any of the foregoing. Notwithstanding the immediately preceding sentence, prior to obtaining the Company Stockholder Approval, if the Board of Directors of the Company concludes in good faith, after consultation with its outside legal counsel, that the failure to take any action identified in clause (i) or, with respect to any action identified in clause (i), clause (iv) would be inconsistent with its fiduciary duties under applicable Law, the Board of Directors of the Company may take such action; provided that the Company shall give Buyer two (2) Business Days' prior written notice of any such action. Notwithstanding the first sentence of this Section 6.3(b), prior to obtaining the Company Stockholder Approval, if the Board of Directors of the Company (x) has received an Acquisition Proposal, (y) concludes in good faith that such Acquisition Proposal constitutes a Superior Proposal (after giving effect to the terms of any revised proposal from Buyer pursuant to clauses (1) and (2) below), and (z) concludes in good faith, after consultation with its outside legal counsel, that the failure to take any action identified in clauses (ii), (iii) or, other than with respect to any action identified in clause (i), (iv) would be inconsistent with its fiduciary duties under applicable Law, the Board of Directors of the Company may take such action; provided that such action shall not be made unless (1) the Company shall have provided written notice to Buyer at least three (3) Business Days in advance advising Buyer that the Board of Directors of the Company has received a Superior Proposal and that it may take one of the actions specified in the immediately preceding sentence, specifying the material terms and conditions of the Superior Proposal, including a written copy of such proposal, and identifying the Person making such Superior Proposal (a "Notice of Superior Proposal"), (2) during such three (3) Business Day period, the Company shall, and shall cause its Representatives to, negotiate with Buyer in good faith with respect to adjustments to the terms and conditions of this Agreement that would cause such Acquisition Proposal to cease to constitute (in the good faith judgment of the Board of Directors of the Company) a Superior Proposal and shall provide Buyer with notice of any



modifications to any Superior Proposal; provided, however, that (x) the Company may continue to negotiate with Third Parties during such three (3) Business Day period, and (y) such notice of modification shall not extend such three (3) Business Day period and (3) in the case of actions described in clause (ii), the Company concurrently terminates this Agreement pursuant to Section 12.1(c)(ii). If, following the expiration of any three (3) Business Day negotiation period described above, the Company intends to take any of the actions identified in clauses (ii), (iii) or, other than with respect to any action identified in clause (i), (iv) above or to terminate this Agreement pursuant to Section 12.1(c)(ii), the Company shall provide the Buyer notice at least twelve (12) hours prior to taking such action or so terminating this Agreement but in no event shall such twelve (12) hour period be extended. Any action pursuant to and in accordance with the terms of this Section 6.3(b) shall not constitute a breach of the Company's representations, warranties, covenants or agreements contained in this Agreement.

(c) Notwithstanding anything in Section 6.3(b) to the contrary, at any time prior to obtaining the Company Stockholder Approval, the Board of Directors of the Company may (in connection with, and effective no earlier than, any amendment, withdrawal, modification, change, conditioning or qualification of or to the Company Recommendation in a manner adverse to Buyer Parent, Buyer or Merger Sub in response to an Acquisition Proposal that the Company's Board of Directors concludes in good faith constitutes a Superior Proposal (after giving effect to the terms of any revised proposal from Buyer pursuant to Sections 6.3(b)(1) and (2) and in accordance with Section 6.3(b)) cause the Company to terminate this Agreement pursuant to Section 12.1(c)(ii), provided that the Company's Board of Directors causes the Company to concurrently with such termination enter into a definitive agreement providing for the transactions contemplated by such Superior Proposal; provided, however, that the Company shall not terminate this Agreement pursuant to Section 12.1(c)(ii), and any purported termination pursuant to Section 12.1(c)(ii) shall be void and of no force or effect, unless the Company shall have complied with all applicable requirements of Section 12.2(b)(ii) (including the payment of the Company Termination Fee prior to or on the date of such termination) in connection with such Superior Proposal.

(d) The Company shall notify Buyer promptly (and, in any event, within forty-eight (48) hours) after receipt by the Company of (i) any Acquisition Proposal, (ii) any request for information relating to the Company or any Company Subsidiary or for access to the properties, books or records of the Company or any Company Subsidiary, in each case, other than requests not reasonably expected to result in an Acquisition Proposal, or (iii) any inquiry that would reasonably be expected to lead to an Acquisition Proposal or from any Person seeking to have discussions or negotiations with the Company relating to a possible Acquisition Proposal. Prior to participating in any discussions or negotiations or furnishing any such information, the Company shall (A) receive from such Person an executed confidentiality agreement on terms that are no less restrictive on such Person than the Confidentiality Agreement, which confidentiality agreement with such Person shall contain additional provisions that expressly permit the Company to comply with the provisions of this Section 6.3 and (B) concurrently provide to Buyer any non-public information concerning the Company or any Company Subsidiaries that is provided to such Person or its Representatives. The notice shall indicate the identity of the Person making, and the material terms and conditions of, the proposal, inquiry or request and shall include a written copy of such proposal, request or inquiry. The Company shall keep Buyer informed in all material respects, on a reasonably current basis, of the status

(including any material change to the terms) of any such proposal, Acquisition Proposal, request or inquiry.

6.4 Resignation of Directors. Prior to the Effective Time, the Company shall deliver to Merger Sub evidence satisfactory to Merger Sub of the resignation of all directors of the Company and the U.S. Government Subsidiaries effective at the Effective Time.

6.5 Modification of Stock Rights. Subject to, and concurrently with, obtaining the Company Stockholder Approval, the Company shall amend the Stock Rights Plan and each stock right granted thereunder in the form set forth on Exhibit F; provided that if the Company Stockholder Meeting shall not be duly called and held prior to June 13, 2008, the Company nonetheless shall cause the Stock Rights Plan and each stock right granted thereunder to be so amended on or prior to June 13, 2008 to the extent necessary to defer the 2008 exercise date until October 1, 2008. The Company shall use all commercially reasonable efforts to cause holders of Company Stock Rights to refrain from exercising their Company Stock Rights prior to the Effective Time (other than pursuant to the Acceleration) and to cause holders of Company Securities to refrain from requiring the Company to redeem, repurchase or otherwise acquire any Company Securities.

6.6 Repayment of Indebtedness. Prior to Closing, the Company shall provide the applicable agent under each of the Company's Existing Credit Facilities with notice of prepayment of all outstanding amounts (including any letters of credit or other borrowings thereunder) under the Company's Existing Credit Facilities in accordance with their terms such that the Surviving Corporation may prepay such amounts without penalty following the Closing on the Closing Date and terminate the Existing Credit Facilities (such amount, the "Revolver Amount"). At the Closing, the Company shall, and the Company shall cause the Company Subsidiaries to, deliver to Buyer payoff letters or similar certificates setting forth the Revolver Amount and those other amounts required to be paid on the Closing Date in order to satisfy or repay in full all Indebtedness of the Company or any U.S. Government Subsidiary (other than lease obligations that constitute capital lease obligations under GAAP and letters of credit and performance bonds primarily relating to the U.S. Government Business entered into in the ordinary course of business) and use commercially reasonable efforts to deliver final invoices for all fees and expenses of the Company's and the Company Subsidiaries' investment bankers, brokers, accountants, attorneys, consultants and other professional advisors and representatives in connection with the Transactions, including by delivering final invoices in respect of the fees and expenses of the Exchange Agent, Credit Suisse, Houlihan Lokey, Ernst & Young LLP and Latham & Watkins LLP. Notwithstanding the provisions of this Section 6.6, the Company shall not be required to take any action with respect to its DCRIP Facility, including any Indebtedness outstanding in connection therewith, or any letters of credit and performance bonds primarily relating to the Other Businesses, to the extent that Newco assumes the Company's obligations with respect to such facility, letters of credit and performance bonds, as applicable, prior to Closing and provides the Buyer with evidence reasonably satisfactory to the Buyer of the release of the Company and the U.S. Government Subsidiaries from any and all liabilities and obligations in respect of the DCRIP Facility, and such letters of credit and performance bonds, as applicable. Prior to the Closing, the Company shall deliver to Buyer evidence reasonably satisfactory to Buyer of the termination and release of all obligations of the Company and the

U.S. Government Subsidiaries under the Guaranty, dated June 30, 2003, between the Company and Citigroup Inc.

6.7 **Restructuring.** Prior to the effective time of the Acceleration, the Company and the Company Subsidiaries shall implement steps one (1) through five (5) of the Pre-Closing Restructuring and, prior to the Effective Time on the Closing Date, the Company and the Company Subsidiaries shall implement steps nine (9), ten (10), twelve, (12), and thirteen (13) of the Pre-Closing Restructuring.

6.8 **Bonus Payments and ECAP Profit Sharing Contributions.** (a) A pro rata portion of the annual bonuses for the period from April 1, 2008 through the Closing Date for each Company Employee employed as of the Effective Time shall be deemed to accrue, for purposes of calculating Pre-Closing Taxes and the Restricted Cash Shortfall, in accordance with the Company's annual bonus budget for the 2009 fiscal year and consistent with past practices and, in the case of Company Stockholders, assuming an annual bonus of no less than \$2,100 per point (the "**Pro Rata Closing Bonus**"), and (b) the Company matching contributions and a pro rata portion of the profit sharing contribution under the Employees' Capital Accumulation Plan ("**ECAP**") for the 2008 plan year with respect to all periods through the Closing Date for each Company Employee employed as of the Effective Time shall be deemed to accrue as of the Closing, for purposes of calculating Pre-Closing Taxes and the Restricted Cash Shortfall, in accordance with past practices and including contributions and accruals to be made in accordance with past practices in respect of the Pro Rata Closing Bonus, annual bonuses for the 2008 fiscal year and other compensation paid with respect to the 2008 plan year during the period through the Closing Date (the "**Pro Rata ECAP Amount**").

6.9 **Amendment to Recharge Agreements.** The Company has, prior to the date hereof, (x) amended the recharge agreements between the Company and Booz Allen Hamilton GmbH (Germany), Booz Allen Hamilton GmbH (Switzerland) and Booz Allen Hamilton (Austria) GmbH, and (y) entered into an agreement of understanding with Booz Allen Hamilton Limited and Booz Allen Hamilton (UK) Ltd. regarding employee benefit recharge arrangements, in each case, which agreements have been delivered to Buyer. Prior to the Effective Time, the Company shall amend the recharge agreements between the Company and (i) Booz Allen Hamilton AS (Norway), (ii) Booz Allen Hamilton AB (Sweden) and (iii) Booz Allen Hamilton ApS (Denmark), in each case, to provide that payment will not be required under the existing applicable recharge agreement to the extent such payment would render the applicable paying entity insolvent within the meaning of the applicable law of its jurisdiction.

6.10 **Notice of Termination.** The Company shall provide Buyer Parent with prompt written notice of any officer (i) who has given notice of his or her intent to retire pursuant to the Company's Officer Retirement Policy, or (ii) to the Knowledge of the Company, has indicated an intent to terminate employment with the Company prior to the Effective Time. The Company agrees that it shall (i) enter into an agreement with Pamela Lentz, Donald Vincent, Charles Jones, and Martin Hill (a) pursuant to which such Persons agree not to compete with the U.S. Government Business for a period of 3 years or (b) a similarly restrictive Senior Executive Advisor agreement, in either case, prior to the Closing and in form and substance reasonably satisfactory to Buyer, and (ii) use its commercially reasonable efforts to cause each such Person not to exercise his or her Company Stock Rights prior to the Closing.

6.11 Solvency and Valuation Opinions. Prior to the Closing, the Company will receive a true, correct and complete copy of the opinion with respect to the solvency and adequate capital of Newco from a nationally recognized firm that is regularly engaged to render such opinions (the "Solvency Opinion") and the opinion with respect to the valuation of Newco from a nationally recognized firm that is regularly engaged to render such opinions (the "Valuation Opinion"), in each case, in the forms received by the Company, and which shall not include any manifest error. The Solvency Opinion shall state that, as of the effective time of the Spin Off, and taking into consideration, among other things, the Government Buy-Back (as defined in the Spin Off Agreement) and all Assumed Liabilities, including any pension plan maintained by the Company or Booz Allen Hamilton GmbH (Germany) for the benefit of their employees and former employees in Germany, Newco (i) will be solvent (in that both the fair value of its assets would exceed its stated liabilities and identified contingent liabilities and that the present fair saleable value of its assets would exceed its stated liabilities and identified contingent liabilities), (ii) should be able to pay its debts as they become absolute and mature and (iii) will have capital that is not unreasonably small for the business in which it is engaged, as management has indicated it is now conducted and is proposed to be conducted following the consummation of the Spin Off.

**ARTICLE 7**  
**COVENANTS OF BUYER PARENT, BUYER AND MERGER SUB**

7.1 Director and Officer Liability.

(a) Buyer Parent, Buyer, Merger Sub and the Surviving Corporation shall cause the certificate of incorporation and by-laws of the Surviving Corporation (and any successor) from and after the Effective Time to include the same indemnification, limitation of or exculpation from liability and expense advancement provisions in favor of the individuals who on or prior to the Effective Time were directors, officers, employees or agents of the Company or any Company Subsidiary or were otherwise entitled to the benefit of such provisions as those set forth in the Company's certificate of incorporation and by-laws, in each case as of the date of this Agreement, and shall cause such provisions not to be amended, repealed, revoked or otherwise modified for a period of six (6) years after the Effective Time in any manner that would adversely affect the rights thereunder of the individuals who on or prior to the Effective Time were directors, officers, employees or agents of the Company or any Company Subsidiary or were otherwise entitled to the benefit of such provisions. The form of the indemnification, limitation of or exculpation from liability and expense advancement provisions set forth in the Articles of Incorporation of the Surviving Corporation and Bylaws of Merger Sub attached hereto as Exhibit D and Exhibit I, respectively, shall be sufficient for the purposes of the obligations of Buyer Parent, Buyer, Merger Sub and the Surviving Corporation under this Section 7.1(a).

(b) Without limiting any additional rights that any Indemnified Party (as defined below) may have pursuant to any employment agreement, indemnification agreement or otherwise, to the fullest extent permitted under applicable Law, commencing at the Effective Time, the Surviving Corporation shall, and Buyer Parent and Buyer shall use commercially reasonable efforts to cause the Surviving Corporation to indemnify, defend and hold harmless, each present (as of immediately prior to the Effective Time) and former director, officer or

employee of the Company and each U.S. Government Subsidiary and their respective estates, heirs, personal representatives, successors and assigns (collectively, the “Indemnified Parties”) against all costs and expenses (including reasonable attorneys’ and other professionals’ fees and expenses), judgments, fines, losses, claims, damages, liabilities and settlement amounts paid in connection with any Claim (whether asserted prior to, at or after the Effective Time) arising out of or pertaining to any action or inaction in their capacity as director or officer of the Company or any U.S. Government Subsidiary or their serving at the request of the Company or any U.S. Government Subsidiary as a director, officer, trustee, shareholder, partner or fiduciary of another Person, pension or other employee benefit plan or enterprise in each case occurring on or before the Effective Time (including the Transactions) to the extent provided in the certificate of incorporation and bylaws of the Company and the U.S. Government Subsidiaries, as applicable. Without limiting the foregoing, in the event of any Claim, (i) the Surviving Corporation shall (x) periodically advance reasonable fees and expenses (including attorneys’ and other professionals’ fees and expenses) with respect to the foregoing and pay the reasonable fees and expenses of counsel selected by each Indemnified Party, promptly after statements therefor are received, provided that the Indemnified Party to whom fees and expenses are advanced or for which fees and expenses of counsel are paid provides an undertaking to repay such advances and payments if it is ultimately determined that such Indemnified Party is not entitled to indemnification, and (y) vigorously assist each Indemnified Party in such defense, and (ii) subject to the terms of this Section 7.1, Buyer Parent and Buyer shall, and shall use commercially reasonable efforts to cause the Surviving Corporation to, cooperate in the defense of any matter.

(c) The Surviving Corporation shall, and Buyer shall cause the Surviving Corporation to, maintain the Company’s existing directors’ and officers’ liability insurance (“D&O Insurance”) (including for acts or omissions occurring in connection with this Agreement and the consummation of the Transactions) covering each Indemnified Party covered as of the Effective Time by the D&O Insurance on terms no less favorable to the Indemnified Parties than those of such policy in effect on the date hereof, for a period of six (6) years after the Effective Time; provided, however, that in no event shall the Surviving Corporation be required to expend for the premium for the D&O Insurance in any one (1) year an amount in excess of 300% of the current annual premium paid by the Company for the D&O Insurance (the “Maximum Annual Premium”); provided, further, that if the annual premiums of such insurance coverage exceed the Maximum Annual Premium, the Surviving Corporation shall be obligated to obtain a policy with the greatest coverage available for an annual premium not to exceed the Maximum Annual Premium. In addition, Buyer agrees that the Company may put in place, at its own expense, immediately prior to the Effective Time, prepaid “tail” insurance policies with a claims period of at least six (6) years from the Effective Time from an insurance carrier with the same or better credit rating as the Company’s current insurance carrier with respect to directors’ and officers’ liability insurance on terms no less favorable to Indemnified Parties than the Company’s existing directors’ and officers’ liability insurance as in effect as of the date hereof with respect to matters existing or occurring at or prior to the Effective Time. If such “tail” prepaid policy is obtained by the Company, the Surviving Corporation shall not be required to maintain the D&O Insurance described in the first sentence of this Section 7.1(c), but the Surviving Corporation shall, and Buyer shall cause the Surviving Corporation to, take any and all commercially reasonable actions necessary to maintain such policy in full force and effect, for its full term, and continue to honor its obligations thereunder.

(d) All rights to indemnification, insurance and/or advancement of expenses contained in any agreement between the Company or any U.S. Government Subsidiary and any Indemnified Parties as in effect on the date hereof with respect to matters occurring on or prior to the Effective Time (including the Transactions) shall survive the Merger and continue in full force and effect. Notwithstanding the foregoing, Buyer Parent's, Buyer's and Surviving Corporation's obligations under this provision shall cease six (6) years after the Effective Time except with respect to any action, suit, claim or proceeding made or filed prior to the sixth anniversary of the Effective Time. The Surviving Corporation shall, and Buyer Parent and Buyer shall use commercially reasonable efforts to cause the Surviving Corporation to, indemnify any Indemnified Party against all reasonable costs and expenses (including attorneys' and other professionals' fees and expenses), such amount to be payable in advance upon request as provided in Section 7.1(b), relating to the enforcement of such Indemnified Party's rights under this Section 7.1 or under any charter, bylaw or agreement; provided that such Indemnified Party provides an undertaking to repay any advances of costs and expenses if it is ultimately determined that such Indemnified Party is not entitled to indemnification hereunder or thereunder.

(e) This Section 7.1 shall survive the consummation of the Merger and is intended to be for the benefit of, and shall be enforceable by, the Indemnified Parties and personal representatives and shall be binding on Buyer and the Surviving Corporation and their successors and assigns and the covenants and agreements contained herein shall not be deemed exclusive of any other rights to which an Indemnified Party is entitled, whether pursuant to Law, Contract or otherwise.

(f) If Buyer Parent, Buyer or the Surviving Corporation or any of their successors or assigns (i) consolidates with or merges into any other Person and shall not be the continuing or surviving corporation or entity of such consolidation or merger, or (ii) transfers or conveys all or substantially all of its properties and assets to any Person, then, and in each case, to the extent not assumed by operation of Law, proper provision shall be made so that the successors and assigns of Buyer Parent, Buyer or the Surviving Corporation, as the case may be, shall assume the respective obligations set forth in this Section 7.1 and, in the case of the Company, obligations for indemnification and/or advancement of expenses contained in any agreement between the Company or any U.S. Government Subsidiary and any Indemnified Parties as in effect on the date hereof with respect to matters occurring on or prior to the Effective Time (including the Transactions).

(g) Nothing in this Agreement is intended to, shall be construed to or shall release, waive or impair any rights to directors' and officers' insurance claims under any policy that is or has been in existence with respect to the Company or any of its officers, directors or employees, it being understood and agreed that the indemnification provided for in this Section 7.1 is not prior to or in substitution for any such claims under such policies.

#### 7.2 Employee Benefits.

(a) Except as otherwise provided in this Section 7.2, for the period beginning as of the Effective Time and ending on December 31, 2008, the Surviving Corporation shall, and Buyer Parent and Buyer shall cause the Surviving Corporation to, provide Company Employees

with salaries, compensation opportunities and benefits that are substantially comparable in the aggregate to the salaries, compensation opportunities and benefits provided by the Company or its Affiliates to Company Employees during the twelve (12) month period immediately prior to the Effective Time, excluding for all purposes any equity-based plan, program or arrangement.

(b) Buyer Parent, Buyer and the Surviving Corporation shall cause the employee benefit plans in which such Company Employees are or become eligible to participate to take into account service by such employees with the Company or any Subsidiary thereof, as if such service were with the Surviving Corporation or any of its Subsidiaries, as the case may be, to the same extent that such service was credited under any analogous Company Plan immediately prior to the Effective Time; provided that the foregoing shall not apply to the extent it would result in any duplication of benefits for the same period of service; provided further, for the avoidance of doubt that such crediting of service need not be given for eligibility or benefit accrual purposes under any defined benefit pension plan or eligibility for or accrual towards post-employment health or welfare benefits (other than for purposes of the Officer Retirement Policy, the Staff Retiree Medical Policy, and the Retiree Medical Plan, or any successor policies or plan thereto). Following the Effective Time, Company Employees will retain credit for unused vacation and sick days which were accrued with the Company or a Subsidiary as of the Effective Time to the same extent as such credit would be retained under the Company Plans listed in Section 4.11(a) of the Company Disclosure Schedule. In addition, if the Effective Time falls within an annual period of coverage under any group health plan of the Surviving Corporation or any of its Subsidiaries, each Company Employee shall be given credit for covered expenses paid by that employee under comparable Company Plans during the applicable coverage period through the Effective Time toward satisfaction of any annual deductible limitation and out-of-pocket maximum that may apply under that group health plan of the Surviving Corporation or its Subsidiaries. From and after the Effective Time, Buyer Parent and Buyer shall, or shall cause the Surviving Corporation or one of its Subsidiaries or one of Buyer's Subsidiaries (as applicable) to, honor, in accordance with their terms, the Company Plans listed in Section 4.11(a) of the Company Disclosure Schedule as in effect immediately prior to the Effective Time.

(c) Without limiting the generality of the foregoing, Buyer Parent and Buyer shall, or shall cause the Surviving Corporation or one of its Subsidiaries or one of Buyer Parent's Subsidiaries (as applicable) to, honor, pay, perform and satisfy all liabilities, obligations and commitments under each Company Plan listed in Section 7.2(c)(i) of the Company Disclosure Schedule that provides any Company Employee with compensation or benefits upon or in connection with the termination of such Company Employee's employment, and, to the extent applicable to a Company Employee, Buyer Parent and Buyer shall, or shall cause the Surviving Corporation or one of its Subsidiaries or one of Buyer Parent's Subsidiaries (as applicable) to, honor and continue in effect for the period beginning as of the Effective Time and ending on December 31, 2008, subject to and in accordance with its terms, each severance plan, program or policy of the Company or the Company Subsidiaries (including the U.S. Government Subsidiaries, as applicable) to the extent set forth on Section 7.2(c)(ii) of the Company Disclosure Schedule, subject to and in accordance with the terms thereof in effect immediately prior to the Effective Time.

(d) Nothing in this Section 7.2 whether express or implied shall create any third party beneficiary or other right in any Person other than the Company, Buyer, Buyer Parent or Merger Sub (including, but not limited to, any Company Employee or any participant in any Company Plan). Nothing in this Section 7.2 shall constitute or create an employment agreement with any Company Employee or constitute an amendment to any Company Plan or any other plan or arrangement covering the Company Employees. Nothing in this Section 7.2 shall limit the right of Buyer, Buyer Parent or any of their Affiliates to amend, terminate or otherwise modify any Company Plan or other existing benefit plan or arrangement following the Closing Date.

7.3 Transfer Taxes. The parties shall cooperate in the preparation, execution and filing of all returns, questionnaires, applications or other documents regarding all state, local and foreign real property transfer, sales, use, transfer, value added, stock transfer and stamp taxes, recording, registration and other similar fees, or similar Taxes ("Transfer Taxes") which become payable in connection with the Transactions. Such Transfer Taxes shall be borne 50% by the Company and 50% by Buyer; provided, however, that all Transfer Taxes which become payable in connection with the Contribution, the Sale and Spin Off or otherwise under the Spin Off Agreement shall be borne by the Company.

7.4 Amendment to Buyer Parent Certificate of Incorporation. Prior to the effective time of the Initial Exchanges, Buyer Parent shall amend and restate its certificate of incorporation substantially in the form attached hereto as Exhibit J.

#### ARTICLE 8 COVENANTS OF BUYER PARENT, BUYER, MERGER SUB AND THE COMPANY

8.1 Efforts. Subject to Section 8.2 and the other Sections of this Agreement explicitly contemplating a different standard, each party shall use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable Law to consummate the Merger and the other Transactions, as promptly as reasonably practicable, including preparing and filing as promptly as practicable all documentation to effect all necessary filings, notices, petitions, statements, registrations, submissions of information, applications and other documents necessary to consummate the Merger and the other Transactions. Without limiting the foregoing, Buyer Parent shall cause Buyer and Merger Sub to comply with their obligations under this Agreement and the Company shall cause the Company Subsidiaries to comply with this Agreement, as if parties hereto.

##### 8.2 Governmental Approvals.

(a) On or before May 23, 2008, each of Buyer Parent and the Company shall file, or cause to be filed by their respective "ultimate parent entities", any Notification and Report Forms and related material required to be filed by it with the Federal Trade Commission (the "FTC") and the Antitrust Division of the United States Department of Justice under the HSR Act (the "Antitrust Division") with respect to the Transactions and thereafter shall promptly make any further filings pursuant thereto that may be necessary, proper or advisable.

(b) Upon and subject to the terms of this Section 8.2, Buyer Parent and the Company shall, and shall cause their respective Subsidiaries to: (i) use reasonable best efforts to obtain



prompt termination of any waiting period under the HSR Act and prompt termination of any other requisite waiting period under any applicable Law; (ii) use reasonable best efforts to obtain all other consents and approvals from Governmental Entities necessary, proper or advisable in connection with the Transactions; (iii) reasonably cooperate and consult with each other in connection with the making of all filings, notifications and any other material actions pursuant to this Section 8.2, including subject to applicable Law, by permitting counsel for the other party to review in advance, and by considering in good faith the views of the other party in connection with, any proposed written communication to any Governmental Entity and by providing counsel for the other party with copies of all filings and submissions made by such party and all correspondence between such party (and its advisors) and any Governmental Entity and any other information supplied by such party and such party's Subsidiaries to a Governmental Entity or received from such a Governmental Entity in connection with the Transactions; provided, however, that (A) materials may be redacted before being provided to the other party (x) to remove (1) references concerning the valuation of Buyer Parent, the Company, or any of their Subsidiaries and (2) individual customer pricing information, (y) as necessary to comply with contractual arrangements, and (z) as necessary to avoid disclosure of other competitively sensitive information or to address reasonable privilege or confidentiality concerns, and (B) copies of documents filed by a party hereto pursuant to Item 4(c) of the Notification and Report Form filed with the FTC and the Antitrust Division pursuant to Section 8.2(a) shall not be required to be provided to any other party hereto; (iv) furnish to the other parties such information and assistance as such parties reasonably may request in connection with the preparation of any submissions to, or agency proceedings by, any Governmental Entity; and (v) promptly inform the other party of any communications with, and inquiries or requests for information from, such Governmental Entities in connection with the Transactions. Materials included in Section 8.2(a) above will be provided to outside counsel pursuant to a joint defense agreement (the "Joint Defense Agreement") so long as the producing party has the legal right to provide such materials to outside counsel for the other party pursuant to a Joint Defense Agreement.

(c) If any objections are asserted by any Governmental Entity with respect to the Transactions, or any action is instituted by any Governmental Entity challenging any of the Transactions as violative of any applicable Antitrust Law or an Order is issued enjoining the Merger under any applicable Antitrust Law, the parties shall, subject to the provisions of this Section 8.2, use reasonable best efforts to resolve any such objections or challenges as such Governmental Entity may have to such transactions under such Law or to have such Order vacated, reversed or otherwise removed in accordance with applicable legal procedures with the goal of enabling the Transactions to be consummated by the End Date, including, in the case of Orders under Antitrust Law, as a last resort and not before exhausting all reasonable alternatives (but subject to the End Date), an agreement to (i) sell or otherwise dispose of, or hold separate and agree to sell or otherwise dispose of, assets, categories of assets or businesses of the U.S. Government Business; (ii) terminate existing relationships and contractual rights and obligations of the U.S. Government Business; (iii) terminate any relevant venture or other arrangement of the U.S. Government Business; or (iv) effectuate any other change or restructuring of the U.S. Government Business (and to enter into agreements or stipulate to the entry of an Order or decree or file appropriate applications with the FTC, the Antitrust Division or other Governmental Entity), and the Company shall use reasonable best efforts to assist Buyer Parent, Buyer and Merger Sub in effectuating the foregoing; provided, however, that (A) the Company

shall not take any of the foregoing actions without the prior written consent of Buyer, and (B) none of Buyer Parent, Buyer or Merger Sub shall take any of the foregoing actions without the prior written consent of the Company if such actions would bind the Company to take any action (including paying money or entering into any other obligation) irrespective of whether the Closing occurs. Buyer Parent and the Company and their respective Subsidiaries shall, subject to the provisions of this Section 8.2, use reasonable best efforts to seek to lift, reverse or remove any temporary restraining order, preliminary or permanent injunction or other Order or decree that would otherwise give rise to a failure of any Antitrust Conditions.

(d) In furtherance and not in limitation of the other covenants of the parties contained in this Section 8.2, each party agrees to cooperate and use reasonable best efforts to assist in any defense by any other party hereto of the Transactions before any Governmental Entity reviewing the Transactions, including by providing (as promptly as practicable) such information as may be reasonably requested by such Governmental Entity or such assistance as may be reasonably requested by the other party hereto in such defense.

(e) As used herein, "Antitrust Conditions" means any of the conditions set forth in Section 9.1(b) and Section 9.1(c) (but solely, in the case of Section 9.1(c), to the extent the Order, injunction, judgment or decree referred to in such Section is issued or brought under applicable Antitrust Laws).

(f) From the date of this Agreement through the date of termination of the required waiting period under the HSR Act, the Company, Buyer Parent, Buyer and Merger Sub shall not, and shall cause their respective Affiliates not to, take any action that would reasonably be expected to hinder or delay the obtaining of clearance or the expiration of the applicable waiting period under the HSR Act or any other applicable Antitrust Law.

8.3 Information Circular. As soon as practicable after execution of this Agreement, the Company shall prepare the Information Circular; provided that Buyer Parent, Buyer and Merger Sub shall reasonably cooperate with the Company in the preparation of the Information Circular. Buyer shall promptly provide the Company with such information regarding Buyer Parent and its Subsidiaries as may be reasonably requested by the Company to be included in the Information Circular. The Company shall give Buyer and its counsel a reasonable opportunity to review and comment on the Information Circular and any other documents mailed to the Company Stockholders prior to their being mailed to the Company Stockholders and shall give Buyer and its counsel a reasonable opportunity to review and comment on all amendments and supplements to the Information Circular and any other documents mailed to the Company Stockholders and all responses to requests for additional information prior to their being mailed to Company Stockholders, and shall include in the Information Circular and any amendment or supplement to the Information Circular and any other documents mailed to the Company Stockholders such information that Buyer reasonably believes is necessary such that the Information Circular or such other document, as the case may be, does not contain any information that is false or misleading in any material respect, any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they are made, not misleading. As promptly as reasonably practicable after the preparation of the Information Circular, the Company shall cause the Information Circular to be mailed to the Company Stockholders of record as of the applicable

record date established by the Board of Directors of the Company. Each of Buyer Parent, Buyer and Merger Sub promptly shall notify the Company of any information provided (or omitted) by it, and (upon becoming aware of any necessary corrections) the Company shall correct any such information, and the Company shall correct any information provided (or omitted) by it, in each case, used in the Information Circular that shall have become false or misleading in any material respect to ensure that the Information Circular does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they are made, not misleading, and the Company shall take all steps necessary to cause the Information Circular as so corrected to be disseminated to the Company Stockholders, as promptly as reasonably practicable, in each case to the extent required by applicable Law.

**8.4 Public Announcements.** The parties shall cooperate with each other in the development and distribution of, and consult with each other before issuing, any press release or making any public statement or announcement with respect to this Agreement and the Transactions and shall not issue any such press release or make any such public statement or announcement without the prior consent of the other parties (which shall not be unreasonably withheld or delayed), except as may be required by applicable Law or any listing agreement with any national securities exchange.

**8.5 Access to Information; Notification of Certain Matters.**

(a) From the date hereof until the Effective Time and subject to applicable Law, the Company and each U.S. Government Subsidiary shall, upon reasonable advance notice, (i) give Buyer Parent, Buyer and Merger Sub and their counsel, financial advisors, financing sources, auditors and other authorized representatives reasonable access (in accordance with such procedures as are mutually agreed to between Buyer and the Company prior to any such access) to the offices, properties, books and records of the U.S. Government Business; (ii) furnish or make available to Buyer Parent, Buyer and Merger Sub and their counsel, financial advisors, financing sources, auditors and other authorized representatives any financial and operating data and other material information of the U.S. Government Business in the possession of the Company or any U.S. Government Subsidiary as those Persons may reasonably request; and (iii) instruct its employees, counsel, financial advisors, financing sources, auditors and other authorized representatives to cooperate with the reasonable requests of Buyer Parent, Buyer and Merger Sub and their counsel, financial advisors, auditors and other authorized representatives, in the case of clauses (i), (ii) and (iii), for the purpose of familiarizing itself with the Company and each of the U.S. Government Subsidiaries in anticipation of or reasonably related to the consummation of the Transactions, including the integration of the Company and the U.S. Government Subsidiaries with Buyer Parent, Buyer and Merger Sub; provided, however, that the Company may restrict access to information to the extent the Company reasonably believes necessary to (i) comply with existing confidentiality agreements with Third Parties, (ii) ensure compliance with applicable Laws, and (iii) preserve legal privilege that the Company or any of the Company Subsidiaries would be entitled to assert. Any access pursuant to this Section 8.5 shall be conducted in a manner which will not interfere unreasonably with the conduct of the business of the Company and the Company Subsidiaries and shall be in accordance with this Section 8.5(a) and any other existing agreements or obligations binding on the Company or any of the Company Subsidiaries. Each of Buyer Parent, Buyer and Merger Sub shall hold, and shall

cause its respective officers, employees, counsel, financial advisors, financing sources, auditors and other authorized representatives to hold, any non-public information obtained in any investigation in confidence in accordance with the terms of the Confidentiality Agreement.

(b) The Company shall give prompt notice to Buyer Parent, Buyer and Merger Sub, and Buyer Parent, Buyer and Merger Sub shall give prompt notice to the Company, of (i) any representation or warranty of such party contained in this Agreement that has become untrue or inaccurate such that the conditions set forth in Article 9 would not be satisfied; (ii) any failure of the Company or Buyer Parent, Buyer and Merger Sub, as the case may be, to comply with or satisfy, any covenant or agreement contained in this Agreement to be complied with or satisfied by it hereunder such that the conditions set forth in Article 9 would not be satisfied; and (iii) the occurrence of any event, development or circumstance which would be reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect or Buyer Material Adverse Effect, as applicable; provided, however, that the delivery of any notice pursuant to this Section 8.5(b) shall not limit or otherwise affect (x) the representations, warranties, covenants or agreements of the parties hereto or (y) the remedies available hereunder to the party giving or receiving such notice.

**8.6 Confidentiality Agreement.** The parties acknowledge that the Company and Buyer entered into the Confidentiality Agreement, which Confidentiality Agreement shall continue in full force and effect in accordance with its terms until the earlier of (a) the Effective Time, at which time the Confidentiality Agreement shall terminate or (b) the expiration of the Confidentiality Agreement according to its terms.

**8.7 Financing Arrangements.**

(a) Buyer Parent, Buyer and Merger Sub shall use reasonable best efforts to take, or cause to be taken, all actions and do, or cause to be done, as promptly as reasonably practicable, all things necessary, proper or advisable to arrange for debt financing for the funded amount, and on terms that are no less favorable to Buyer Parent in the aggregate than the terms, set forth on Schedule 8.7(a) (any such debt financing, an "Acceptable Debt Financing"). Buyer Parent, Buyer and Merger Sub shall consult in good faith, and reasonably cooperate, with the Company regarding its efforts to obtain debt financing described in the immediately preceding sentence.

(b) If Buyer Parent has obtained Acceptable Debt Financing by such date, on or prior to the later date (the "Debt Commitment Deadline") of (i) June 16, 2008 and (ii) the fourteenth day after the satisfaction or waiver of the condition set forth in Section 9.1(e) (the "PLR Condition") (provided that, if the PLR Condition is waived or satisfied after July 15, 2008 but prior to September 2, 2008, the "Debt Commitment Deadline" shall be September 15, 2008), Buyer Parent shall provide the Company with a true and complete copy of a commitment letter (the "Debt Commitment Letter" and, together with the Equity Commitment Letter, the "Commitment Letters") from a reputable lender with experience in leveraged financing that is reasonably satisfactory to the Company ("Lender"), which letter is executed by such Lender, pursuant to which Lender has committed, subject to (i) execution and delivery by Buyer Parent and (ii) the terms and conditions set forth therein, to provide to Buyer Parent the amount of financing set forth in the Debt Commitment Letter (the "Debt Financing"), to complete the Transactions and to pay related fees and expenses. If Buyer Parent has not obtained an

Acceptable Debt Financing by the Debt Commitment Deadline, on or prior to the Debt Commitment Deadline, Buyer Parent may, but shall not be obligated to, provide the Company with a true and complete copy of a Debt Commitment Letter from a Lender, which letter is executed by such Lender, pursuant to which Lender has committed, subject to (i) execution and delivery by Buyer Parent and (ii) the terms and conditions set forth therein, to provide to Buyer Parent the Debt Financing, to complete the Transactions and to pay related fees and expenses.

(c) If:

(i) The Debt Commitment Letter delivered pursuant to Section 8.7(b) is an Acceptable Debt Financing, subject to the Company's right to terminate this Agreement under Section 12.1(c)(iv), Buyer Parent may, at the time it delivers the Debt Commitment Letter to the Company pursuant to 8.7(b), request that a condition to the obligation of Buyer Parent, Buyer and Merger Sub to consummate the Merger be the negotiation, execution and delivery of definitive documentation with respect to the Debt Financing reasonably satisfactory to Buyer Parent. If Buyer Parent does not request the aforementioned condition, upon delivery of the Debt Commitment Letter, Buyer Parent shall execute the Debt Commitment Letter and Buyer Parent, Buyer and Merger Sub shall irrevocably waive the condition set forth in Section 9.3(g) (the "Financing Condition") and promptly deliver written notice of such waiver to the Company. If Buyer Parent does request the aforementioned condition and the Company accepts such condition by written notice to Buyer Parent or fails to terminate this Agreement pursuant to Section 12.1(c)(iv), the Merger Agreement shall be deemed to be amended to include such condition in Section 9.3 and Buyer Parent shall execute and deliver to the Company the Debt Commitment Letter and Buyer Parent, Buyer and Merger Sub shall irrevocably waive the Financing Condition by written notice to the Company.

(ii) The Debt Commitment Letter delivered pursuant to Section 8.7(b) is not an Acceptable Debt Financing, subject to the Company's right to terminate this Agreement under Section 12.1(c)(iv), Buyer Parent shall, at the time it delivers the Debt Commitment Letter to the Company pursuant to Section 8.7(b), identify any terms and conditions (including conditions precedent) (any such term or condition, an "Unacceptable Debt Financing Term") in the Debt Commitment Letter that (A) fail to meet the terms and conditions set forth in Schedule 8.7(a) and (B) Buyer Parent requests to be addressed by the addition of a closing condition to Article 9 of the Merger Agreement solely for the purpose of addressing such failure. If the Company accepts the addition of such closing condition by written notice to Buyer Parent or fails to terminate this Agreement pursuant to Section 12.1(c)(iv), such addition shall be deemed to be an amendment to Article 9 of the Merger Agreement and Buyer Parent shall execute and deliver to the Company the Debt Commitment Letter and Buyer Parent, Buyer and Merger Sub shall irrevocably waive the Financing Condition by written notice to the Company. If any Unacceptable Debt Financing Term that Buyer requests be addressed by the addition of a closing condition to the Merger Agreement pursuant to this Section 8.7(c)(ii) solely addresses a condition precedent to the Lender's obligations under the Debt Commitment Letter, any closing condition that is added to Article 9 with respect to such Unacceptable Debt Financing Term shall (x) be added to Section 9.3 as a condition to the obligations of Buyer, Buyer Parent and Merger Sub and (y) shall only

be a closing condition under Section 9.3 for so long as the Lender has not waived the underlying condition precedent under the Debt Commitment Letter.

(d) After execution and delivery of the Debt Commitment Letter, Buyer Parent, Buyer and Merger Sub shall use reasonable best efforts to take, or cause to be taken, all actions and do, or cause to be done, as promptly as reasonably practicable, all things necessary, proper or advisable to arrange the Financing on the terms and conditions described in the Commitment Letters, including using reasonable best efforts to, as promptly as reasonably practicable, (i) satisfy on a timely basis all conditions applicable to Buyer Parent, Buyer and Merger Sub obtaining the Financing set forth therein, (ii) negotiate and enter into definitive agreements with respect thereto on the terms and conditions contemplated by the Debt Commitment Letter (including any related flex provisions) or on other terms in the aggregate not less favorable to Buyer Parent, Buyer and Merger Sub, (iii) timely prepare the necessary offering circulars, private placement memoranda, or other offering documents or marketing materials with respect to the Financing, (iv) commence the syndication activities contemplated by the Debt Commitment Letter and (v) consummate the Financing at or prior to Closing. Buyer shall give the Company prompt notice (A) of any material breach by any party of any Commitment Letter of which Buyer Parent, Buyer or Merger Sub becomes aware, (B) if and when Buyer Parent, Buyer or Merger Sub becomes aware that any portion of the Financing contemplated by the Commitment Letters would reasonably be expected to become unavailable to consummate the Transactions and (C) of any termination of any Commitment Letter. Buyer Parent, Buyer and Merger Sub shall keep the Company informed in all material respects on a reasonably current basis in reasonable detail of the status of their efforts to arrange the Debt Financing or Alternative Financing and provide to the Company copies of executed copies of the definitive documents related to the Financing or Alternative Financing (excluding any fee letters, engagement letters or other agreements that are confidential by their terms). If, after the execution and delivery of the Debt Commitment Letter, any portion of the Debt Financing becomes unavailable on the terms and conditions contemplated in the applicable Commitment Letter, Buyer Parent, Buyer and Merger Sub shall use commercially reasonable efforts to arrange to obtain alternative financing, including from alternative sources, on terms no less favorable to Buyer Parent, Buyer or Merger Sub in the aggregate than the Debt Financing contemplated by the applicable Debt Commitment Letter (including the flex provisions thereof) ("Alternative Financing") as promptly as reasonably practicable following the occurrence of such event and the foregoing clauses (i) through (v) shall be applicable to the Alternative Financing. After the execution and delivery of the Debt Commitment Letter, Buyer Parent, Buyer and Merger Sub shall (1) comply in all material respects with the Debt Commitment Letter, (2) enforce in all material respects their rights under the Debt Commitment Letter and (3) not permit any material amendment or modification to be made to, or any waiver of any material provision or remedy under, the Debt Commitment Letter or the fee letter referred to in the Debt Commitment Letter without the prior written consent of the Company (which consent shall not unreasonably withheld, delayed or conditioned); provided that Buyer Parent, Buyer or Merger Sub may replace, amend or modify the Debt Commitment Letter (x) to add lenders, lead arrangers, bookrunners, syndication agents or similar entities which had not executed the Debt Commitment Letter as of the date of delivery thereof under Section 8.7(b), or (y) otherwise, in each case, so long as the terms would not, taken as a whole, materially delay or adversely impact in any material respect the ability of Buyer Parent, Buyer or Merger Sub to consummate the Transactions. In addition, notwithstanding anything in this Section 8.7 to the contrary, the Debt Commitment Letter may be superseded at

the option of Buyer Parent, Buyer or Merger Sub after the date of delivery thereof under Section 8.7(b) but prior to the Closing Date by instruments (the "New Financing Commitments") that replace the existing Debt Commitment Letter; provided that the terms of the New Financing Commitments shall not (x) expand the conditions to the Closing Date drawdown to the Debt Financing as set forth in the Debt Commitment Letter in any material respect, (y) reduce the amount of proceeds available to Buyer Parent, Buyer or Merger Sub, taking into account any increase in any other aspect of the Financing, including any equity financing, or (z) taken as a whole, materially delay or adversely impact in any material respect the ability of Buyer Parent, Buyer or Merger Sub to consummate the transactions contemplated hereby. In such event, the term "Debt Commitment Letter" as used herein shall be deemed to mean the New Financing Commitments to the extent then in effect. In the event that Buyer Parent obtains a Debt Commitment Letter in connection with an Alternative Financing or obtains New Financing Commitments, Buyer Parent may propose modifications to the Merger Agreement in accordance with the provision of Section 8.7(c). Buyer Parent, Buyer and Merger Sub shall provide notice to the Company promptly upon receiving the Financing or, if applicable, the Alternative Financing.

(e) The Company and the Company Subsidiaries shall use reasonable best efforts to cooperate with Buyer, and shall use reasonable best efforts to cause its and their respective Representatives to cooperate, in connection with the arrangement of the Financing or Alternative Financing as may be reasonably requested by Buyer (provided that such requested cooperation does not unreasonably interfere with the ongoing operations of the Company and its Subsidiaries), including (i) participation at reasonable times in meetings, drafting sessions, presentations, road shows, and rating agency and due diligence sessions, (ii) furnishing Buyer Parent, Buyer and Merger Sub and their financing sources with (A) financial and other pertinent information regarding the Company as shall exist and be reasonably requested by Buyer and (B) the following financial statements and financial data: the audited balance sheet of the Company as of March 31, 2006, March 31, 2007 and March 31, 2008, and the audited statements of stockholders' equity, income and cash flows of the Company for the fiscal years ended March 31, 2006, March 31, 2007 and March 31, 2008, in each case, with consolidating schedules for the U.S. Government Business and the Other Businesses, in each case, no later than June 22, 2008 (provided that if the Closing Date is July 31, 2008, such audit statements shall be provided no later than July 7, 2008, and if the Closing Date is later than July 31, 2008, no later than July 13, 2008) (the "Required Financial Information"); provided, however, that in the event that the Closing Date is on or after August 31, 2008, the Required Financial Information shall include the unaudited balance sheets of the Company as of June 30, 2007 and June 30, 2008, and the unaudited statements of stockholders' equity, income and cash flows of the Company for the three months ended June 30, 2007 and June 30, 2008, in each case with the consolidating schedules for the U.S. Government Business and the Other Businesses, together with SAS reviews with respect thereto, if requested, which, in each case, shall be provided no later than the later of August 22, 2008 or forty-five (45) days following such request, (iii) ensuring that the applicable auditors shall not have withdrawn their audit opinion with respect to the Required Financial Information at any point during the period from the satisfaction or waiver of the PLR Condition to and including the Closing Date, (iv) reasonably assisting Buyer and its financing sources in the preparation of (A) offering documents, private placement memoranda, bank information memoranda, prospectuses and similar documents for any portion of the Financing or Alternative Financing, including prospectuses or offering memoranda, prepared in accordance

with customary practices for an offering of debt securities registered under the Securities Act or made pursuant to Rule 144A under the Securities Act, as the case may be, in a manner consistent with the requirements of the Securities Act and the rules and regulations promulgated thereunder for such a registered offering and, in the case of an offering pursuant to Rule 144A, as customarily applied to such an offering, as the case may be, and (B) materials for rating agency presentations, (v) reasonably cooperating with the marketing efforts of Buyer and its financing sources for any portion of the Financing or Alternative Financing, (vi) reasonably cooperating with Buyer's legal counsel in connection with any legal opinions that such legal counsel may be required to deliver in connection with the Financing, (vii) executing and delivering any definitive financing documents, including any pledge and security documents, other definitive financing documents, or other certificates or documents as may be reasonably requested by Buyer Parent, Buyer or Merger Sub (including a certificate of the chief financial officer of the Company with respect to solvency matters) and otherwise facilitating the pledging of, and granting, recording and perfection of security interests in share certificates, securities and other collateral to the extent required by the Debt Commitment Letter and using commercially reasonable efforts to deliver, as applicable, other customary certificates or representations reasonably requested by Buyer (including consents of accountants for use of their reports in any materials relating to the Financing), (viii) using commercially reasonable efforts to assist Buyer in obtaining accountants' comfort letters, auditor's reports in respect of audited financials and legal opinions, as reasonably requested by Buyer Parent, Buyer or Merger Sub, (ix) taking all actions reasonably necessary to (A) permit prospective financing providers involved in the Financing to evaluate the Company's current assets, cash management and accounting systems, policies and procedures relating thereto for the purpose of establishing collateral arrangements and (B) establish bank and other accounts and blocked account agreements and lockbox arrangements in connection with the foregoing, (x) using commercially reasonable best efforts to assist Buyer Parent in satisfying the conditions to funding under the Commitment Letters, (xi) using reasonable best efforts to obtain customary payoff letters with respect to any debt facilities being repaid or terminated in connection with the Closing as may be requested by Buyer Parent, Buyer or Merger Sub (including those payoff letters contemplated by Section 6.6) and (xii) taking such corporate actions as shall be reasonably requested by Buyer to permit the consummation of the Financing and to permit the proceeds thereof to be made available at the Closing; provided that (A) none of the Company or any Company Subsidiary shall be required to incur any liability in connection with the Financing or Alternative Financing prior to the Effective Time (other than reasonable out-of-pocket costs, fees and expenses incurred in connection with its cooperation under this Section 8.7), including under any of the agreements, certificates or other documents to be delivered by the Company or its Subsidiaries pursuant to this Section 8.7(b), (B) the pre-Closing Board of Directors of the Company and the directors, managers and general partners of the Company Subsidiaries shall not be required to adopt resolutions approving the agreements, documents and instruments pursuant to which the Financing or Alternative Financing is obtained, (C) none of the Company or any Company Subsidiary shall be required to become subject to any obligations under any definitive financing documents, including any credit or other agreements, pledge or security documents, or other certificates, legal opinions or documents in connection with the Financing or Alternative Financing prior to the Effective Time, and (D) the Surviving Corporation shall defend and hold harmless the pre-Closing directors and officers of the Company and the Company Subsidiaries from and against any liability or obligation to providers of the Financing or Alternative Financing in connection with



the Financing or Alternative Financing and any information provided in connection therewith. Except for the representations and warranties of the Company set forth in Article 4 of this Agreement, the Company shall not have any liability to Buyer Parent, Buyer or Merger Sub in respect of any financial statements, other financial information or data or other information provided pursuant to this Section 8.7. If this Agreement is terminated prior to the Effective Time, Buyer Parent and Buyer shall, promptly upon request by the Company, reimburse the Company for all reasonable out-of-pocket costs incurred by the Company or the Company Subsidiaries in connection with the Company's cooperation under this Section 8.7(e) (which, for the avoidance of doubt, shall not include costs incurred in connection with the preparation of the Company's audited financial statements or costs and expenses accrued prior to the date hereof).

**8.8 Investigation and Agreement by Buyer Parent, Buyer and Merger Sub; No Other Representations or Warranties.** Each of Buyer Parent, Buyer and Merger Sub agrees that, except for the representations and warranties made by the Company that are expressly set forth in Article 4 of this Agreement or in the Ancillary Agreements, the Company does not make, and has not made, any representations or warranties in connection with the Merger and the other Transactions. Except as expressly set forth herein, no Person has been authorized by the Company to make any representation or warranty relating to the Company or any Company Subsidiary or their respective businesses, or otherwise in connection with the Merger and the other Transactions and, if made, such representation or warranty may not be relied upon as having been authorized by the Company. Without limiting the generality of the foregoing, each of Buyer Parent, Buyer and Merger Sub agrees that, except as provided in Article 4 or in the Ancillary Agreements, neither the Company, any holder of Equity Interests of the Company nor any of their respective Affiliates or Representatives, makes or has made any representation or warranty to Buyer Parent, Buyer or Merger Sub or any of their Representatives or Affiliates with respect to:

(i) any forward-looking information such as projections, forecasts, estimates, plans or budgets of future revenues, expenses or expenditures, future results of operations (or any component thereof), future cash flows (or any component thereof) or future financial condition (or any component thereof) of the U.S. Government Business or the future business, operations or affairs of the U.S. Government Business heretofore or hereafter delivered to or made available to Buyer Parent, Buyer or Merger Sub or their respective Representatives or Affiliates; or

(ii) any other information, statement or documents heretofore or hereafter delivered to or made available to Buyer Parent, Buyer or Merger Sub or their respective Representatives or Affiliates, including the information in the on-line data room, with respect to the Company or any of its Subsidiaries or the U.S. Government Business, except to the extent and as expressly covered by a representation and warranty made by the Company and contained in Article 4 of this Agreement or in the Ancillary Agreements.

**8.9 Additional Exchange Agreements.**

(a) The Company and Buyer Parent will cooperate with each other and the Rolling Stockholders in connection with the execution and delivery of the Exchange Agreements prior to

the Exchange Date, and the consummation of the Initial Exchanges on the Exchange Date, in accordance with the terms of this Section 8.9(a). Without limiting the foregoing, if prior to the Exchange Date (x) an Entry Level Rolling Stockholder executes and delivers to Buyer Parent an Additional Rolling Stockholder Exchange Agreement substantially in the form of Exhibit C providing for an exchange of Company Common Shares and Company Stock Rights equal to at least 25% and no greater than 80% (which percentage shall be subject to reduction in the event that such Entry Level Rolling Stockholder is obligated to pay a portion of the proceeds to third parties and has not made satisfactory alternative arrangements to ensure sufficient free cash proceeds) of such Entry Level Rolling Stockholder's Full Share Amount, or (y) a Lead Rolling Stockholder or Senior Rolling Stockholder executes and delivers to Buyer Parent an Additional Rolling Stockholder Exchange Agreement substantially in the form of Exhibit C providing for an exchange of Company Common Shares and Company Stock Rights equal to at least 40% and no greater than 80% (which percentage shall be subject to reduction in the event that such Lead Rolling Stockholder or Senior Rolling Stockholder is obligated to pay a portion of the proceeds to third parties and has not made satisfactory alternative arrangements to ensure sufficient free cash proceeds) of such Lead Rolling Stockholder's or Senior Rolling Stockholder's Full Share Amount, then Buyer Parent shall execute such Additional Exchange Agreement and deliver it to such Rolling Stockholder; provided, however, that if such delivery occurs after the date that is twenty-one (21) days prior to the Exchange Date (such date, the "Exchange Agreement Cut-Off Date") and provides for the exchange of a number of Company Common Shares and Company Stock Rights that is greater than 40% of such Rolling Stockholder's Full Share Amount, then such Rolling Stockholder shall only be permitted to exchange Company Common Shares and Company Stock Rights representing 40% of such Rolling Stockholder's Full Share Amount unless Buyer Parent consents, in its sole discretion, to the exchange of the greater number of Company Common Shares and Company Stock Rights. In the event that any Rolling Stockholder executes and delivers to Buyer Parent an Existing Exchange Agreement or an Additional Rolling Stockholder Exchange Agreement providing for an exchange of such Rolling Stockholder's Company Common Shares and Company Stock Rights in excess of 40% of such Rolling Stockholder's Full Share Amount (the number of Company Common Shares and Company Stock Rights representing such excess, the "Excess Rolling Stockholder Rollover Share Number") and the aggregate Excess Rolling Stockholder Rollover Number that Rolling Stockholders have elected to exchange pursuant to the Existing Exchange Agreements and the Additional Rolling Stockholder Exchange Agreements exceeds the sum of (x) 75,000 and (y) the amount, if any, by which the Discretionary Rolling Stockholder Cap exceeds the Requested Discretionary Rolling Stockholder Rollover Share Number, (the "Rolling Stockholder Cap"), Buyer Parent may reduce the Excess Rolling Stockholder Rollover Share Number of (i) the Senior Rolling Stockholders, in the aggregate, until the aggregate Excess Rolling Stockholder Rollover Share Number of all Rolling Stockholders does not exceed the Rolling Stockholder Cap; provided that any such reduction will be allocated first to those Senior Rolling Stockholders with greater Excess Rolling Stockholder Rollover Share Numbers so that no Senior Rolling Stockholder will be subject to such reduction until there is no other Senior Rolling Stockholder with a greater adjusted Excess Rolling Stockholder Rollover Share Number and the Senior Rolling Stockholders with the greatest adjusted Excess Rolling Stockholder Rollover Share Numbers will be subject to pro rata reduction and (ii), if, after giving effect to the reduction pursuant to clause (i) of this Section 8.9(a), the aggregate Excess Rolling Stockholder Rollover Number of all Rolling Stockholders pursuant to Existing Exchange Agreements and Additional

Rolling Stockholder Exchange Agreements exceeds the Rolling Stockholder Cap, the Lead Rolling Stockholders, in the aggregate, until the aggregate Excess Rolling Stockholder Rollover Share Number of all Rolling Stockholders does not exceed the Rolling Stockholder Cap; provided that any such reduction will be allocated first to those Lead Rolling Stockholders with greater Excess Rolling Stockholder Rollover Share Numbers so that no Lead Rolling Stockholder will be subject to such reduction until there is no other Lead Rolling Stockholder with a greater adjusted Excess Rolling Stockholder Rollover Share Number and the Lead Rolling Stockholders with the greatest adjusted Excess Rolling Stockholder Rollover Share Numbers will be subject to pro rata reduction and (iii) if, after giving effect to the reductions pursuant to clauses (i) and (ii) of this Section 8.9(a), the aggregate Excess Rolling Stockholder Rollover Number of all Rolling Stockholders pursuant to Existing Exchange Agreements and Additional Rolling Stockholder Exchange Agreements exceeds the Rolling Stockholder Cap, the Entry Level Rolling Stockholders, in the aggregate, until the aggregate Excess Rolling Stockholder Rollover Share Number of all Rolling Stockholders does not exceed the Rolling Stockholder Cap; provided that any such reduction will be allocated first to those Entry Level Rolling Stockholders with greater Excess Rolling Stockholder Rollover Share Numbers so that no Entry Level Rolling Stockholder will be subject to such reduction until there is no other Entry Level Rolling Stockholder with a greater adjusted Excess Rolling Stockholder Rollover Share Number and the Entry Level Rolling Stockholders with the greatest adjusted Excess Rolling Stockholder Rollover Share Numbers will be subject to pro rata reduction. Any reductions in a Rolling Stockholder's Excess Rolling Stockholder Rollover Share Number will be applied in inverse order to the exchange order requirement set forth in such Rolling Stockholder's Additional Rolling Stockholder Exchange Agreement. All Buyer Parent Securities received pursuant to the Exchange shall be subject to the terms and conditions of the Buyer Rollover Stock Option Plan and the Stockholders Agreement (including, but not limited to, any transfer, repurchase or forfeiture provisions).

(b) The Company and Buyer Parent will cooperate with each other and the Discretionary Rolling Stockholders in connection with the execution and delivery of the Exchange Agreements prior to the Exchange Agreement Cut-Off Date, and the consummation of the Subsequent Exchanges on the Exchange Date, in accordance with the terms of this Section 8.9(b). Without limiting the foregoing, if prior to the Exchange Agreement Cut-Off Date, a Discretionary Rolling Stockholder executes and delivers to Buyer Parent a Discretionary Rolling Stockholder Exchange Agreement substantially in the form of Exhibit G providing for an exchange of Company Common Shares equal to no greater than such Discretionary Rolling Stockholder's Individual Discretionary Rolling Stockholder Cap, then Buyer Parent shall execute such Additional Exchange Agreement and deliver it to such Discretionary Rolling Stockholder. For purposes of this Section 8.9(b), with respect to any Discretionary Rolling Stockholder, the "Individual Discretionary Rolling Stockholder Cap" shall mean 85% of such Discretionary Rolling Stockholder's Full Share Amount; provided, however, that if such Discretionary Rolling Stockholder elects to exchange a number of Company Common Shares in excess of the number of Company Common Shares that such Discretionary Rolling Stockholder held prior to the Acceleration, then the Individual Discretionary Rolling Stockholder Cap with respect to such Discretionary Rolling Stockholder shall be reduced by that number of Company Common Shares equal to (x) that amount of Taxes required to be withheld by the Company with respect to such Discretionary Rolling Stockholder in connection with the Transactions divided by (y) the Full Cash Amount; provided, further, that such Individual Rolling Stockholder Cap may be further

reduced in the event that such Discretionary Rolling Stockholder is obligated to pay a portion of the proceeds to third parties and has not made satisfactory alternative arrangements to ensure sufficient free cash proceeds. In the event that the aggregate number of the Company Common Shares elected to be exchanged by the Discretionary Rolling Stockholders pursuant to executed Discretionary Rolling Stockholder Exchange Agreements (the "Requested Discretionary Rolling Stockholder Rollover Share Number") exceeds 125,000 (the "Discretionary Rolling Stockholder Cap"), Buyer Parent may reduce the number of Company Common Shares to be exchanged by each Discretionary Rolling Stockholder on pro rata basis based on the number of Company Common Shares that each Discretionary Rolling Stockholder elected to exchange until the Requested Discretionary Rolling Stockholder Rollover Share Number does not exceed the Discretionary Rolling Stockholder Cap. Any reductions in the Company Common Shares to be exchanged by a Discretionary Rolling Stockholder will be applied in inverse order to the exchange order requirement set forth in such Discretionary Rolling Stockholder's Discretionary Rolling Stockholder Exchange Agreement. All Shares of Buyer Parent Non-Voting Common Stock received pursuant to the Exchange shall be subject to the terms and conditions of the Stockholders Agreement.

#### **ARTICLE 9 CONDITIONS TO MERGER**

9.1 Conditions to the Obligations of Each Party. The obligations of the Company, Buyer Parent, Buyer and Merger Sub to consummate the Merger are subject to the satisfaction of the following conditions:

(a) the Company Stockholder Approval shall have been obtained;

(b) the waiting period (and any extension thereof) applicable to the Transactions under the HSR Act shall have been terminated or shall have expired;

(c) no temporary restraining order, preliminary or permanent injunction or other judgment, Order or decree issued by a court or agency of competent jurisdiction that prohibits the consummation of any of the Transactions shall have been issued and remain in effect, and no Law shall have been enacted, issued, enforced, entered, or promulgated that prohibits or makes illegal the consummation of the Merger or any of the other Transactions;

(d) the Acceleration, the Contribution, the Sale and the Spin Off shall have been consummated; and

(e) The IRS shall have granted the Company a Sufficient Ruling.

9.2 Conditions to the Obligations of the Company. The obligations of the Company to consummate the Merger are subject to the satisfaction or waiver in writing by the Company of the following further conditions:

(a) The representations and warranties of Buyer Parent, Buyer and Merger Sub contained (i) in Article 5 of this Agreement (other than the representations and warranties set forth in Sections 5.1(a), 5.2, 5.6 (excluding Section 5.6(f)) and 5.9) shall be true and correct (determined without regard to any qualifications or limitations as to materiality, Buyer Material

Adverse Effect or words of similar import) as of the Closing Date as if made on and as of the Closing Date (or, if given as of a specific date, at and as of such date), except where the failure or failures of any such representations and warranties to be so true and correct have not had and would not be reasonably likely to have, individually or in the aggregate, a Buyer Material Adverse Effect and (ii) in Sections 5.1(a), 5.2, 5.6 (excluding Section 5.6(f)) and 5.9 shall be true and correct in all material respects as of the Closing Date as if made on and as of the Closing Date (or, if given as of a specific date, at and as of such date). Buyer Parent, Buyer and Merger Sub shall have performed and complied with and observed in all material respects all covenants and agreements required by this Agreement to be performed or complied with or observed by it on or prior to the Closing. Buyer Parent, Buyer and Merger Sub shall each have delivered to the Company a certificate from a duly authorized officer of Buyer Parent, Buyer and Merger Sub, as applicable, dated the Closing Date, to the foregoing effect.

(b) Buyer and the Escrow Agent shall have entered into the Escrow Agreement, and (other than due to the failure of the Seller Representative to execute and deliver the Escrow Agreement) the Escrow Agreement shall be in full force and effect as of the Closing.

(c) The Exchanges shall have been consummated in accordance with the applicable Exchange Agreements.

(d) Buyer Parent and Guarantor shall have executed and delivered to the Company each Ancillary Agreement to which it is a party (in form and substance substantially as attached hereto or to the Spin Off Agreement, as the case may be), and (other than due to the failure of the other parties thereto to execute and deliver the applicable Ancillary Agreement) each such Ancillary Agreement shall be in full force and effect as of the Closing.

9.3 Conditions to the Obligations of Buyer Parent, Buyer and Merger Sub. The obligations of Buyer Parent, Buyer and Merger Sub to consummate the Merger are subject to the satisfaction or waiver in writing by Buyer of the following further conditions:

(a) The representations and warranties of the Company contained (i) in Article 4 of this Agreement (other than Sections 4.1(a), 4.2, 4.5(a), 4.5(b) (excluding clauses (iv) and (v)), 4.5(c), 4.15 and 4.22) shall be true and correct (determined without regard to any qualifications or limitations as to materiality, Company Material Adverse Effect or words of similar import) as of the Closing Date as if made on and as of the Closing Date (or, if given as of a specific date, at and as of such date), except where the failure or failures of any such representations and warranties to be so true and correct have not had and would not be reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect and (ii) in Sections 4.1(a), 4.2, 4.5(a), 4.5(b) (excluding clauses (iv) and (v)), 4.5(c), 4.15 and 4.22 of this Agreement shall be true and correct in all material respects as of the Closing Date as if made on and as of the Closing Date (or, if given as of a specific date, at and as of such date). The Company shall have performed and complied with and observed in all material respects all covenants and agreements required by this Agreement to be performed or complied with or observed by it on or prior to the Closing. The Company shall have delivered to Buyer Parent, Buyer and Merger Sub a certificate from a duly authorized officer of the Company, dated the Closing Date, to the foregoing effect.

(b) From the date of this Agreement to the Closing, there shall not have occurred any action, event, occurrence, development, result, condition, fact, change, violation, or effect that has had or would reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

(c) The Seller Representative and the Escrow Agent shall have entered into the Escrow Agreement, and (other than due to the failure of Buyer to execute and deliver the Escrow Agreement) the Escrow Agreement shall be in full force and effect as of the Closing.

(d) The Rolling Stockholders and Discretionary Rolling Stockholders other than the Merger Rolling Stockholders shall have entered into the Stockholders Agreement, and (other than due to the failure of Buyer Parent or the Guarantor to execute and deliver the Stockholders Agreement, and other than with respect to the Merger Rolling Stockholders) the Stockholders Agreement shall be in full force and effect as of the Closing.

(e) Taking into account (i) the Exchanges consummated in accordance with the applicable Exchange Agreements and (ii) any conversion of Company Common Shares or Company Stock Rights for Exchange Equity to be consummated pursuant to Section 3.3(d) of this Agreement, (i) the Rolling Stockholders shall be exchanging or converting, collectively, that number of Company Common Shares or Company Stock Rights equal to no less than forty percent (40%) of such Rolling Stockholders' Full Share Amount, and (ii) eighty percent (80%) of the Rolling Stockholders shall have entered into Exchange Agreements; provided, however, that this condition shall be deemed satisfied if the failure of a sufficient number of Company Common Shares or Company Stock Rights to be exchanged or converted (assuming the occurrence of the Closing) resulted from the failure of Buyer Parent, Buyer or Merger Sub to perform or comply with any of its covenants or agreements in this Agreement.

(f) The Company shall have delivered to Buyer duly executed counterparts of each of the Ancillary Agreements to which it or any of its Affiliates is a party (including the Newco-GmbH Assignment, Assumption and Release Agreement and Guaranty, in the forms set forth on Exhibit H, and the executed amendments to the recharge agreements and the recharge agreement in the forms set forth on Exhibit G, and excluding the Escrow Agreement, the Stockholders Agreement and the Exchange Agreements, which shall be subject to Sections 9.3(c), (d) and (e), respectively) executed by each of the applicable parties thereto, in each case, in form and substance substantially as attached hereto or to the Spin Off Agreement, as the case may be, and (other than due to the failure of any party thereto other than the Company or any of its Affiliates to execute and deliver the applicable Ancillary Agreement) each such agreement shall be in full force and effect as of the Closing.

(g) Subject to waiver of this condition pursuant to Section 8.7(c), Buyer Parent shall have obtained the proceeds of an Acceptable Debt Financing.

**ARTICLE 10  
TAX MATTERS**

10.1 Tax Indemnity.

(a) Subject to the provisions of this Article 10, from and after the Closing, Buyer Parent, its Subsidiaries (including the Company and the U.S. Government Subsidiaries) and each of their respective Affiliates, and each of the respective officers, directors, employees, agents, advisers and Representatives of any of the foregoing and each of the heirs, executors, successors and assigns of any of the foregoing (the "Buyer Indemnified Parties") shall be indemnified solely from the Indemnification Escrow Funds and as an offset against the Deferred Obligation Amount from and against (i) Pre-Closing Taxes (except to the extent such Pre-Closing Taxes were reflected in the Final Pre-Closing Taxes) and (ii) in respect of any exercise of any Company Stock Rights after the date hereof and prior to the effective time of the Acceleration, the product of (x) the excess of (A) any deductions that would have arisen with respect to compensation related to, arising out of or in connection with the exercise of such Company Stock Rights pursuant to the Acceleration over (B) any deductions that actually arose with respect to compensation related to, arising out of or in connection with such exercise of such Company Stock Rights prior to the effective time of the Acceleration multiplied by (y) 0.2732. The Buyer Indemnified Parties shall not be entitled to any indemnification pursuant to this Article 10 and Article 11 in excess of, in the aggregate, an amount equal to the sum of the Indemnification Escrow Funds plus the Indemnification Sub-Limit and the Buyer Indemnified Parties' sole recourse with respect to any amounts owed to them pursuant to this Article 10 shall be the Indemnification Escrow Funds and as an offset against the Deferred Obligation Amount.

(b) The ability of any Buyer Indemnified Party to receive indemnification under this Section 10.1 shall terminate on the date that is ninety (90) days following the expiration of all applicable statutes of limitation with respect to the relevant Pre-Closing Taxes (giving effect to any waiver or extension thereof) (the "Termination Date") unless a Buyer Indemnified Party has made a proper claim for indemnification pursuant to this Article 10 prior to the Termination Date, in which case such claim for Pre-Closing Taxes incurred (and only such claim for such Pre-Closing Taxes incurred), if unresolved by the Termination Date, shall continue until the claim is fully resolved.

10.2 Allocation Between Partial Periods. Any Taxes for a Tax period beginning before, and ending after, the Closing Date shall be apportioned between the portion of such period ending on the Closing Date (the "Pre-Closing Partial Period") and the portion of such period beginning after the Closing Date (the "Post-Closing Partial Period") based on the actual activities, taxable income or taxable loss of the applicable entity during such Pre-Closing Partial Period and such Post-Closing Partial Period on a closing of the books basis.

10.3 Tax Refunds. Buyer Parent shall promptly pay the Sellers, pro rata in accordance with their respective Escrow Percentages, any Tax refund, credit or similar benefit (including any interest paid or credited with respect thereto) received by Buyer Parent or its Subsidiaries attributable to any Pre-Closing Tax; provided that Buyer Parent shall be entitled to retain any such refund, credit or benefit to the extent that the Buyer Indemnified Parties have borne Pre-Closing Taxes, net of any other retained refunds, credits or benefits pursuant to this Section 10.3, that were not indemnified under this Article 10 or that were not reflected in the Final Pre-Closing Taxes. For the avoidance of doubt, Buyer Parent shall be entitled to retain any refund, credit or benefit that is attributable to any Excluded Deductions. Buyer Parent shall, if the Seller

Representative so requests and at the Seller Representative's expense, cause Buyer Parent or any of its Affiliates to use commercially reasonable efforts to obtain and expedite the receipt of any refund to which the Sellers are entitled pursuant to this Section 10.3.

#### 10.4 Contests and Audits.

(a) Upon the receipt by Buyer Parent or any of its Affiliates of any pending or threatened Tax audit or assessment with respect to which an indemnification claim could be made pursuant to this Article 10, Buyer shall promptly notify the Seller Representative in writing of the receipt of such notice. Such notice shall contain factual information describing the asserted Tax liability in reasonable detail and shall include copies of any notice or other document received from any taxing authority in respect of any such asserted Tax liability. If Buyer fails to give the Seller Representative prompt notice of any asserted Tax liability as required by this Section 10.4, then the Buyer Indemnified Parties shall not be entitled to an indemnification with respect to such Tax liability to the extent that such failure adversely affects the rights or ability of the Seller Representative or the Sellers to fully contest such asserted Tax liability.

(b) The Seller Representative shall have the right to control, and to represent the interests of all affected taxpayers in, any Tax audit or administrative, judicial or other proceeding that could give rise to an indemnity payment under this Article 10 and to employ counsel of its choice; provided, however, that the Seller Representative shall (i) provide Buyer Parent with a timely copy of all documents (or portions thereof) relating to such audit, examination or proceeding, (ii) consult with Buyer Parent with respect to any written submissions in connection with such audit, examination or proceeding, (iii) provide Buyer Parent with the right to participate, at Buyer Parent's cost and expense, in any conference with any taxing authority regarding such audit, examination or proceeding, and (iv) not enter into any settlement thereof without the written consent of Buyer Parent, which shall not be unreasonably or untimely withheld. Buyer Parent shall control any audit, examination or proceeding (or portion thereof) of the Company and the Company Subsidiaries (other than the Other Subsidiaries) that does not relate to Taxes for which the Buyer Indemnified Parties are entitled to indemnification under Section 10.1.

(c) Buyer Parent and its Subsidiaries shall execute and deliver to the Seller Representative, promptly upon request, powers of attorney authorizing the Seller Representative to extend statutes of limitations, receive refunds, negotiate settlements and take such other actions that the Seller Representative reasonably considers to be appropriate in exercising its control rights pursuant to this Section 10.4, and any other documents reasonably necessary to effect the exercising of such control rights.

#### 10.5 Cooperation, Retention and Tax Reporting.

(a) Each of Buyer Parent and its Subsidiaries, on the one hand, and the Seller Representative, on the other hand, shall provide the other party promptly upon request with such cooperation and assistance, documents and other information, without charge, as may reasonably be requested by the other party in connection with (i) the preparation, filing or review of any original or amended Tax Return or any other filing with any taxing authority, (ii) the conduct of



any audit or other examination or any judicial or administrative proceeding involving to any extent Taxes or Tax Returns within the scope of this Agreement, or (iii) the verification by the other party of an amount payable hereunder to, or receivable hereunder from, another party. Such cooperation and assistance shall include, without limitation: (i) the provision on demand of books, records, Tax Returns, documentation or other information relating to any relevant Tax Return, (ii) the execution of any document that may be necessary or reasonably helpful in connection with the filing of any Tax Return, or in connection with any audit, proceeding, suit or action of the type generally referred to in the preceding sentence, including, without limitation, the execution of powers of attorney and extensions of applicable statutes of limitations, (iii) the prompt and timely filing of appropriate claims for refund, and (iv) the use of commercially reasonable efforts to obtain any documentation from a governmental authority or a Third Party that may be necessary or helpful in connection with the foregoing. Each party shall make its and its Affiliates' employees and facilities available on a mutually convenient basis to facilitate such cooperation.

(b) Buyer Parent shall cause the Company to comply with its obligations under Section 5.06(b) of the Spin Off Agreement.

(c) Buyer Parent shall retain or cause to be retained all Tax Returns and all books, records, schedules, workpapers and other documents relating thereto with respect to taxable periods ending on or prior to the Closing Date, until the Termination Date (as extended for any unresolved claim made prior to the Termination Date). Buyer Parent shall promptly notify the Seller Representative of any waivers, extensions or expirations of applicable statutes of limitations.

(d) The parties acknowledge and agree that the exchange and/or cash-out of the Company Class A Shares pursuant to Article 3 (as distinct from the Acceleration) shall not lead to the recognition of ordinary income by the holders thereof, and accordingly the Surviving Corporation and its Affiliates shall, and the Buyer Parent shall cause the Surviving Corporation and its Affiliates to, file Tax Returns consistently and shall not take any compensation deduction with respect thereto.

**10.6 Valuation.** The parties hereto agree that the fair market value of the Newco Shares to be distributed to the Company Stockholders in the Spin Off, for U.S. federal and applicable state income Tax purposes, shall be determined by Buyer, Newco and the Company, which determination, absent manifest error, shall be (i) within the range of valuations set forth in the Valuation Opinion, (ii) not less than the amount of the Target NAV set forth in the Spin Off Agreement, and (iii) not less than the reasonable estimated valuation of Newco implied by the value of the Government Buy-Back Consideration (as defined in the Spin Off Agreement). The parties agree that they shall not, and shall not permit their Affiliates to, take a position on any Tax Return or in the calculation of Pre-Closing Taxes pursuant to Section 3.7 that is inconsistent with such determination.

**10.7 Tax Returns.** Ten (10) Business Days prior to the due date for filing any Tax Return relating to Pre-Closing Taxes, Buyer Parent shall provide such Tax Return to the Seller Representative for its review and comment. Within ten (10) days following delivery of such draft Tax Return, the Seller Representative shall have the right to object in writing to any item on

any such draft Tax Return affecting Pre-Closing Taxes. Unless such written notice of objection to such Tax Return is delivered within such ten (10) day period, such Tax Return shall be final and binding on the parties without further adjustments. If the Seller Representative so objects and Buyer Parent rejects any such objections, the parties shall resolve their dispute by presenting such dispute to an accounting firm of national reputation mutually agreeable to Buyer Parent and the Seller Representative (the "Tax Accountant"); provided that, with respect to a dispute under Section 3.9(a), such Tax Accountant may be different than the Tax Accountant retained for other disputes, if mutually agreed. The Tax Accountant will resolve the dispute in a fair and equitable manner within ten (10) days after the parties to such dispute have presented their arguments to the Tax Accountant, whose decision shall be final, conclusive and binding on the parties; provided that, with respect to a dispute as to whether the IRS has delivered a favorable ruling pursuant to the PLR Request pursuant to Section 3.9(a) (but not any dispute with respect to the PLR Amount or the application of the private letter ruling granted in response to the PLR Request), such Tax Accountant's determination shall not be deemed final, binding and conclusive on the parties unless the Tax Accountant shall have delivered a "should" level opinion to the Company as to the favorable treatment requested in the PLR Request; and provided further, however, that if such Tax Accountant shall have delivered a "more likely than not" opinion (but not a "should" opinion) to the Company as to whether the IRS has delivered a favorable ruling pursuant to the PLR Request, the Tax Accountant shall be deemed (for purposes of this Agreement) to have determined that the PLR Amount equals the sum of the Undisputed PLR Amount and half of the PLR Escrow Amount. If the Tax Accountant does not resolve all differences between the parties with respect to such Tax Return at least two (2) days prior to the due date therefor, such Tax Return shall be filed as prepared by Buyer Parent and amended to reflect the Tax Accountant's resolution and shall be final and binding on the parties without further adjustment. The fees and expenses of the Tax Accountant shall be borne equally by Buyer Parent and the Seller Representative. The preparation and filing of any Tax Return with respect to the Company or the Company Subsidiaries (other than the Other Subsidiaries) other than a Tax Return relating to Pre-Closing Taxes shall be exclusively within the control of Buyer Parent. No such Tax Returns relating to Pre-Closing Taxes may be amended without the Seller Representative's approval, not to be unreasonably or untimely withheld.

**10.8 Payments from Indemnification Escrow Account.** In the event that any Buyer Indemnified Party is entitled to indemnification for Losses, or is otherwise entitled to payment, under this Article 10 or Article 11 (including Section 11.8), within two (2) Business Days of the final determination of the merits and amount of such indemnifiable Losses, Buyer and the Seller Representative shall issue joint written instructions to the Escrow Agent authorizing the distribution from the Indemnification Escrow Account of an amount equal to such Losses to such Buyer Indemnified Party.

**10.9 Release of Indemnification Escrow Amount.** On the first (1<sup>st</sup>) anniversary of the Closing Date, after the payment to the Buyer Indemnified Parties of any amounts due and owing pursuant to Article 10 and Article 11 (including Section 11.8), Buyer and the Seller Representative shall direct the Escrow Agent to release to the Sellers, pro rata in accordance with their respective Escrow Percentages, the portion of the Indemnification Escrow Funds in excess of the Pending Claims Amount on such date. Thereafter, as soon as reasonably practicable after the resolution of each such outstanding claim, if any, but in no event later than five (5) Business Days thereafter, the Seller Representative and Buyer shall each direct the Escrow Agent, after

disbursement to the Buyer Indemnified Parties of the applicable portion of the Indemnification Escrow Funds, if any, pursuant to this Agreement in connection with such resolution, to release to the Sellers, pro rata in accordance with their respective Escrow Percentages, all remaining Indemnification Escrow Funds in excess of the remaining aggregate amount of the Pending Claims Amount prior to such date.

10.10 Adjustment to Purchase Price. Buyer Parent, the Company, their respective Affiliates and Sellers shall treat any and all payments under Article 10 as an adjustment to the purchase price for Tax purposes unless otherwise required by Law.

## **ARTICLE 11 INDEMNIFICATION**

### **11.1 Indemnification**

(a) Subject to the provisions of this Article 11 (including Section 11.8), from and after the Closing, the Buyer Indemnified Parties shall be indemnified solely from the Indemnification Escrow Funds and through offset against the Deferred Obligation Amount from and against all Losses that the Buyer Indemnified Parties incur arising from (i) any breach of any representation or warranty of the Company in Sections 4.2, 4.5(a), 4.5(b) (excluding clauses (iv) and (v)), 4.5(c), 4.7(a), 4.7(c), 4.11, 4.17(d)(vii), 4.17(d)(viii) and 4.27, in each case, as of the date hereof or as of the Closing Date, except in the case of a representation or warranty that speaks expressly as of a specific date or dates, which representation or warranty shall speak only as of such date or dates, (ii)(A) any failure of the Sellers (or, prior to the Closing, the Company) to perform in all material respects any covenant or agreement of the Sellers or the Company under Sections 2.1, 2.4, 7.3, 8.2, 8.3, 8.4 and 8.5(b) and Article 6 of this Agreement or (B) any failure of the Company prior to the Closing to perform in all material respects any covenant or agreement of the Company under the Spin Off Agreement, (iii) any Taxes indemnifiable by Newco pursuant to Section 5.06 of the Spin Off Agreement, the Assumed Liabilities (as defined in the Spin Off Agreement), or any breach by Newco of any Ancillary Agreement if (x) Newco is bankrupt or insolvent and (y) Newco fails to satisfy such liabilities in accordance with the terms and conditions of the Spin Off Agreement or such Ancillary Agreement, as the case may be, within thirty (30) days of written notice thereof by a Buyer Indemnified Party, and (iv) any Transition Restructuring Costs of the Company and the U.S. Government Subsidiaries. The Buyer Indemnified Parties shall not be entitled to any indemnification pursuant to this Article 10 and Article 11 in excess of, in the aggregate, an amount equal to the sum of the Indemnification Escrow Funds plus the Indemnification Sub-Limit and the Buyer Indemnified Parties' sole recourse with respect to any amounts owed to them pursuant to this Article 11 shall be the Indemnification Escrow Funds and through offset against the Deferred Obligation Amount. For the avoidance of doubt, any claim involving or related to Taxes (other than those referred to in clause (iii) above) shall be governed exclusively by Article 10 and shall not be subject to any exclusion or deduction set forth in this Article 11.

(b) The ability of any Buyer Indemnified Party to receive indemnification under this Section 11.1 shall terminate on the Termination Date, or any applicable earlier date set forth in Section 13.2, unless a Buyer Indemnified Party has made a proper claim for indemnification

pursuant to this Article 11 prior to the applicable date, in which case such claim, if unresolved by the applicable date, shall continue until the claim is fully resolved.

(c) Except with respect to (x) inaccuracies in or breaches of the representations and warranties contained in Sections 4.2, 4.5(a), 4.5(b) (excluding clauses (iv) and (v)), 4.5(c), 4.11(l) and 4.11(m) and (y) the matters set forth in Sections 11.1(a)(ii), 11.1(a)(iii), and 11.1(a)(iv), which inaccuracies, breaches and matters shall not be subject to any deductible or exclusion under this sentence, the Buyer Indemnified Parties shall not be indemnified for Losses under Section 11.1(a) until the aggregate amount of all such Losses exceeds an amount (the “Basket”) equal to \$15,000,000.

(d) Except with respect to (x) inaccuracies in or breaches of the representations and warranties contained in Sections 4.2, 4.5(a), 4.5(b) (excluding clauses (iv) and (v)), 4.5(c), 4.11(l), 4.11(m), 4.17(d)(vii), 4.17(d)(viii) and 4.27 and (z) the matters set forth in Sections 11.1(a)(ii), 11.1(a)(iii) and 11.1(a)(iv), which inaccuracies, breaches and matters shall not be subject to any claim threshold under this sentence, no Losses may be claimed by a Buyer Indemnified Party under Section 11.1(a), or included in calculating whether any Losses exceed the Basket, other than Losses that, together with other indemnifiable Losses arising out of the same or a series of related facts, events or circumstances, exceed \$500,000 in which case all such indemnifiable Losses (including the first \$500,000) may be claimed, subject to the terms and conditions of this Article 11, including Section 11.1(c), if applicable.

(e) No Losses arising from any inaccuracy or breach of any representation or warranty of the Company in Section 4.17(d)(vii), 4.17(d)(viii) or 4.27 may be claimed by a Buyer Indemnified Party under Section 11.1(a), or included in calculating whether any Losses exceed the Basket, unless such indemnifiable Losses with respect any single fiscal year of the Company exceed \$1,000,000, in which case all such indemnifiable Losses with respect to such fiscal year (including the first \$1,000,000) may be claimed, subject to the terms and conditions of this Article 11, including Section 11.1(c).

(f) For purposes of this Article 11, (i) any inaccuracy in or breach of any representation or warranty shall be determined without regard to (x) any materiality, “Company Material Adverse Effect” or similar qualification (other than those contained in Section 4.7) and in the first sentences of Section 4.11(a) and Section 4.11(b)), and (y) any qualification or requirement that a matter be or not be “reasonably expected” to occur, to the extent related to any materiality, “Company Material Adverse Effect” or similar qualification, (ii) any materiality qualification in Section 4.7 shall not be disregarded, (iii) any “Company Material Adverse Effect”, materiality or similar qualification in the first sentences of Section 4.11(a) and Section 4.11(b) shall be read as a qualification as to materiality, (iv) any inaccuracy in or breach of any representation or warranty in Section 4.27(b), shall be determined without regard to any disclosure in the Company Disclosure Schedule including any disclosure in Section 4.27(b) of the Company Disclosure Schedule and (v) notwithstanding Section 13.14(b), any inaccuracy in or breach of any representation or warranty in Section 4.27(a) shall be determined without regard to any disclosure in the Company Disclosure Schedule other than those items specifically set forth in Section 4.27(a) of the Company Disclosure Schedules.

(g) Notwithstanding anything to the contrary contained in this Article 11 or Article 10, nothing herein shall limit the Surviving Corporation's or any of its applicable Affiliates' (including Buyer Parent and Buyer) rights to seek indemnification, money damages or to otherwise enforce the Spin Off Agreement or any other Ancillary Agreement in accordance with its terms; provided that the Surviving Corporation and its applicable Affiliates shall not be entitled to recover for any given Loss more than once.

11.2 Indemnification Procedures. Claims for indemnification under this Agreement (other than claims involving Tax matters, the procedures for which are set forth in Article 10) shall be asserted and resolved as follows:

(a) Any Buyer Indemnified Party claiming indemnification under this Agreement with respect to any claim asserted against the Buyer Indemnified Party by a Third Party ("Third Party Claim") in respect of any matter that may be subject to indemnification under Section 11.1 shall promptly (i) notify the Seller Representative of the Third Party Claim and (ii) transmit to the Seller Representative a written notice ("Claim Notice") describing in reasonable detail the nature of the Third Party Claim, a copy of all court papers served with respect to such claim (if any), the Buyer Indemnified Party's good faith estimate of the amount of Losses that are or may be attributable to the Third Party Claim and the basis of the Buyer Indemnified Party's request for indemnification under this Agreement. Failure to timely provide such Claim Notice shall not affect the right of the Buyer Indemnified Party's indemnification hereunder, except to the extent the Sellers are prejudiced by such delay or omission.

(b) The Sellers shall have the right to defend the Buyer Indemnified Party against such Third Party Claim so long as (i) the Seller Representative acknowledges in writing its obligation (solely through the Indemnification Escrow Funds and as an offset against the Deferred Obligation Amount) to indemnify the Buyer Indemnified Parties for Losses related to such Third Party Claim or (ii) the Seller Representative agrees (solely through the Indemnification Escrow Funds and as an offset against the Deferred Obligation Amount) to bear the cost of one separate counsel to the Buyer Indemnified Parties, who shall be entitled to participate in (but shall not have the right to control) the defense of such Third Party Claim, in each case if the aggregate remaining Indemnification Escrow Funds plus the aggregate remaining Indemnification Sub-Limit are sufficient to satisfy greater than 50% of the Losses reasonably likely to arise from such Third Party Claim, considering all prior claims for indemnification and claims for payment made under Article 10 and this Article 11 (including Section 11.8), unless such claim relates to the DCAA Audits or other similar investigations, litigations, actions, suits, claims, arbitrations, or proceedings, whether civil, criminal or administrative, by any Governmental Entity, which claims shall be subject to Section 11.2(c) below. If the Sellers have the right to and the Seller Representative notifies the Buyer Indemnified Party that the Sellers elect to assume the defense of the Third Party Claim without acknowledging the obligations in clause (i) of the preceding sentence, then the Sellers shall have the right to defend such Third Party Claim with counsel selected by the Seller Representative, at the sole cost and expense of Seller Representative (without reimbursement from the Indemnification Escrow Funds or the Indemnification Sub-Limit); provided that counsel for the Sellers who shall conduct the defense of such Third Party Claim shall be reasonably satisfactory to the Buyer Indemnified Party, and the Buyer Indemnified Party may participate in (but not control) such defense at its expense; provided, however, that if (x) the Seller Representative agrees to do so pursuant to clause (ii)

above or (y) the Buyer Indemnified Party reasonably concludes upon the advice of counsel that there exists one or more defenses or counterclaims available to the Buyer Indemnified Party that are inconsistent with one or more of those that may be available to the Sellers in respect of such Third Party Claim, the Seller Representative shall (solely through the Indemnification Escrow Funds and as an offset against the Deferred Obligation Amount) bear the cost of one counsel with respect to such Third Party Claim. The Seller Representative shall have control of such defense and proceedings, including any compromise or settlement thereof; provided that the Seller Representative shall not enter into any settlement agreement without the prior written consent of the Buyer Indemnified Party (which consent if the Seller Representative has acknowledged its obligation (solely through the Indemnification Escrow Funds and as an offset against the Deferred Obligation Amount) to indemnify the Buyer Indemnified for the applicable Losses shall not be unreasonably withheld, conditioned, or delayed, but if Seller Representative has not acknowledged such obligation may be withheld in the sole discretion of the Buyer Indemnified Party); provided, further, that such consent shall not be required if (i) the settlement agreement contains a complete, irrevocable and unconditional release by all claimants asserting the claim from all liability to all Buyer Indemnified Parties affected by the claim, (ii) the settlement agreement does not contain any sanction, restriction or other injunctive or non-monetary relief affecting the Buyer Indemnified Party or its Affiliates, (iii) the aggregate remaining Indemnification Escrow Funds plus the aggregate remaining Indemnification Sub-Limit are sufficient to satisfy in full all but \$500,000 of the Losses contemplated by such settlement agreement and (iv) the Seller Representative has acknowledged its obligation (solely through the Indemnification Escrow Funds and as an offset against the Deferred Obligation Amount) for the applicable Losses. If requested by the Seller Representative, the Buyer Indemnified Party agrees, at the sole cost and expense of the Seller Representative, to cooperate with the Seller Representative and its counsel in contesting any Third Party Claim which the Seller Representative elects to contest. If the Buyer Indemnified Party reasonably determines that the aggregate remaining Indemnification Escrow Funds plus the aggregate remaining Indemnification Sub-Limit are insufficient to satisfy greater than 50% of the Losses reasonably likely to arise from such Third Party Claim, considering the Settled Claims Amount and the Pending Claims Amount, then the Buyer Indemnified Party shall have the right at all times to take over and control the defense, settlement, negotiation or litigation relating to any such Third Party Claim at the cost of the Sellers solely through the Indemnification Escrow Funds and as an offset against the Deferred Obligation Amount; provided that if the Buyer Indemnified Party does so take over and control, the Buyer Indemnified Party shall not settle such Third Party Claim without the written consent of the Sellers, such consent not to be unreasonably withheld or delayed; provided, further, that such consent shall not be required if (i) less than \$500,000 of Indemnification Escrow Funds and the Indemnification Sub-Limit remain available to satisfy the contemplated settlement and (ii) the compromise or settlement agreement does not contain any sanction, restriction or other injunctive or non-monetary relief affecting the Seller Representative, any Seller or any of their respective Representatives.

(c) Buyer shall have the right to defend against and be reimbursed out of the Indemnification Escrow Funds and as an offset against the Deferred Obligation Amount for its reasonable cost and expense (but only if the Buyer Indemnified Party is actually entitled to indemnification in respect of such Third Party Claim hereunder) in connection with, any Third Party Claim that relates to the DCAA Audits or other similar investigations, litigations, actions, suits, claims, arbitrations, or proceedings, whether civil, criminal or administrative, by any

Governmental Entity. Buyer shall have the right to defend such Third Party Claim with counsel selected by Buyer; provided that counsel for Buyer who shall conduct the defense of such Third Party Claim shall be reasonably satisfactory to the Seller Representative, and the Seller Representative may participate in (but not control) such defense at its expense. Buyer shall have control of such defense and proceedings, including any compromise or settlement thereof; provided that the Buyer shall not enter into any settlement agreement without the prior written consent of the Seller Representative (which consent shall not be unreasonably withheld, conditioned, or delayed); provided, further, that such consent shall not be required if (i) less than \$500,000 of Indemnification Escrow Funds and the Indemnification Sub-Limit remain available to satisfy the contemplated settlement and (ii) the compromise or settlement agreement does not contain any sanction, restriction or other injunctive or non-monetary relief affecting the Seller Representative, any Seller or any of their respective Representatives. If requested by Buyer, the Seller Representative agrees, at its sole cost and expense (which shall be satisfied solely out of the Indemnification Escrow Account and as an offset against the Deferred Obligation Amount), to cooperate with Buyer and its counsel in contesting any Third Party Claim subject to this Section 11.2(c).

(d) If the Seller Representative fails to notify the Buyer Indemnified Party within fifteen (15) days after receipt of any Claim Notice that the Seller Representative elects to defend the Buyer Indemnified Party pursuant to Section 11.2(b), then the Buyer Indemnified Party shall have the right to defend, and be reimbursed out of the Indemnification Escrow Funds and as an offset against the Deferred Obligation Amount for its reasonable cost and expense (but only if the Buyer Indemnified Party is actually entitled to indemnification in respect of such Third Party Claim hereunder), the Third Party Claim by all appropriate proceedings, which proceedings shall be prosecuted diligently by the Buyer Indemnified Party to a final conclusion or settlement. The Buyer Indemnified Party shall have control of such defense and proceedings; provided, however, that the Buyer Indemnified Party may not enter into any compromise or settlement of such Third Party Claim, if indemnification is to be sought hereunder, without the Seller Representative's consent (which consent shall not be unreasonably withheld, conditioned or delayed); provided that such consent shall not be required if (i) less than \$500,000 of Indemnification Escrow Funds and the Indemnification Sub-Limit remain available to satisfy the contemplated settlement and (ii) the compromise or settlement agreement does not contain any sanction, restriction or other injunctive or non-monetary relief affecting the Seller Representative, any Seller or any of their respective Representatives. The Seller Representative may participate in, but not control, any defense or settlement controlled by the Buyer Indemnified Party pursuant to this Section 11.2(d), and the Seller Representative shall bear its own costs and expenses with respect to such participation.

(e) A claim by any Buyer Indemnified Party for indemnification for any matter not involving a Third Party Claim must be asserted by prompt written notice to the Seller Representative, such notice to describe in reasonable detail the nature of the claim and the Buyer Indemnified Party's good faith estimate of the amount of Losses attributable to the claim and the basis of the Buyer Indemnified Party's request for indemnification under this Agreement. Failure to timely provide such notice shall not affect the right of the Buyer Indemnified Party's indemnification hereunder, except to the extent the Sellers are prejudiced by such delay or omission.

(f) In the event a Buyer Indemnified Party shall recover Losses in respect of a claim of indemnification under this Article 11, no other Buyer Indemnified Party shall be entitled to recover the same Losses in respect of a claim for indemnification.

(g) From and after the delivery of a Claim Notice under this Agreement, at the reasonable request of the Seller Representative, each Buyer Indemnified Party shall grant the Seller Representative and its Representatives reasonable access to the books, records, employees and properties of such Buyer Indemnified Party to the extent reasonably related to the defense of such claim. All such access shall be granted during normal business hours and shall be granted under the conditions which shall not unreasonably interfere with the business and operations of such Buyer Indemnified Party.

(h) Notwithstanding anything to the contrary in this Section 11.2, the indemnification procedures set forth in Article 10 shall control any indemnification procedures relating to Taxes.

11.3 Limitations on Liability. Notwithstanding anything to the contrary herein, no Buyer Indemnified Party shall be entitled to indemnification under Section 11.1 with respect to any Losses to the extent such Losses (i) were reflected in the calculation of the Final Working Capital Adjustment, the Final Closing Date Indebtedness, the NAV Transfer Amount paid to Buyer pursuant to Section 3.10, or the Final Restricted Cash Shortfall; provided, however, that no amount reflected in a reserve taken into account in the calculation of the Final Working Capital Adjustment shall limit the right to indemnification under Section 11.1 unless (and solely to the extent that) the amount of such reserve was increased after December 31, 2007 specifically to reserve against the matter for which indemnification was sought pursuant to Section 11.1 and such increase was reflected in the calculation of the Final Working Capital Adjustment, or (ii) arise or result from any failure of the Company to obtain Ruling 3 or 5 as requested in the PLR Request; provided, however, that this clause (ii) of this Section 11.3 shall be inapplicable (A) to the extent (x) any information (including values) contained in, or any representation made by the Company or any of its representatives in, the PLR Request to obtain Ruling 3 or 5 or otherwise made to (1) the Internal Revenue Service, (2) Ernst & Young LLP or (3) the Tax Accountant, was not accurate, complete and correct and (y) such inaccuracy, incompleteness, or incorrectness materially contributed to or resulted in a withdrawal, modification or other ineffectiveness of any favorable ruling delivered in response to the PLR Request to obtain Ruling 3 or 5 or any opinion of the Tax Accountant delivered pursuant to Section 10.7 with respect to such ruling, or the Internal Revenue Service taking a position that differs from that expressed in any such opinion or (z) any information (including values) included in Ernst & Young LLP's Section 280G calculations provided to Buyer and its Affiliates, advisors or representatives was not accurate, complete and correct (or as a result of any such inaccurate, incomplete or incorrect information provided by the Company, any deemed payment that would constitute a parachute payment within the meaning of Section 280G of the Code and the regulations promulgated thereunder was not included in such calculation) and such inaccuracy, incompleteness, or incorrectness materially contributed to or resulted in such Loss, or (B) with respect to Losses arising out of or resulting from termination of employment by Newco or any of the Other Subsidiaries of an Officer listed in Section 11.3 of the Company Disclosure Schedule during the 12-month period prior to or following the Closing.



#### 11.4 Computation of Indemnifiable Losses.

(a) Any amount payable pursuant to this Article 11: (i) shall be decreased to the extent of any Third Party insurance proceeds received by the Buyer Indemnified Party in respect of an indemnifiable Loss, (ii) shall be reduced to take into account any Tax benefit actually realized by the Buyer Indemnified Parties in the year of the indemnity payment or any earlier year that arises from the incurrence or payment of any such Loss and increased to take into account any Tax detriment actually suffered by the Buyer Indemnified Parties that arises from the receipt of such amount payable or the incurrence or payment of any such Loss and (iii) shall be reduced by any recoveries from third Persons pursuant to indemnification or otherwise in respect thereto.

(b) The amount of indemnification to which a Buyer Indemnified Party shall be entitled under this Article 11 shall be determined: (i) by the written agreement between the Buyer Indemnified Party and the Seller Representative; (ii) by a judgment or decree of any court of competent jurisdiction; or (iii) by any other means to which the Buyer Indemnified Party and the Seller Representative shall agree.

(c) In any case where a Buyer Indemnified Party recovers from third Persons any amount (other than any amounts deducted pursuant to Section 11.4(a)) in respect of a matter with respect to which such Buyer Indemnified Party has received payment satisfying in full all Losses arising from any and all matters subject to indemnification hereunder (from the Indemnification Escrow Funds or the Deferred Payment Holdback), (i) in the case of a payment previously received from the Indemnification Escrow Funds, Buyer shall cause such Buyer Indemnified Party to promptly pay over (A) if prior to the final release of the Indemnification Escrow Funds to the Sellers pursuant to Section 10.9, to the Escrow Agent for deposit into the Indemnification Escrow Account (subject to release to the Sellers pursuant to Section 10.9 as though a pending matter had been resolved) and (B) if after the final release of the Indemnification Escrow Funds to the Exchange Agent for release to the Sellers pursuant to Section 10.9, to the Sellers, pro rata in accordance with their respective Escrow Percentages, the amount so recovered (after deducting therefrom the full amount of the expenses incurred by the Buyer Indemnified Party in procuring such recovery) and (ii) in the case of a previous satisfaction of a claim for Losses through inclusion in the Settled Claims Amount, the Settled Claims Amount shall be reduced by such amount (after deducting therefrom the full amount of the expenses incurred by the Buyer Indemnified Party in procuring such recovery) (and corresponding changes shall be made to the Settled Claims Adjustment Amount and the Deferred Obligation Amount) and, if after any payment to the Sellers pursuant to Section 3.11(a) or (b), Buyer shall pay to the Exchange Agent for release to the Sellers, pro rata in accordance with their respective DPO Percentages, an amount equal to the excess of the Deferred Obligation Amount over the Deferred Payment Holdback. Clause (i) of the immediately preceding sentence shall only apply to the extent such amount, together with all amounts previously received from the Indemnification Escrow Funds, exceeds the aggregate amount of all Losses that would have been subject to indemnification from the Indemnification Escrow Funds. Clause (ii) of the second preceding sentence shall only apply to the extent such amount (after deducting therefrom the full amount of the expenses incurred by the Buyer Indemnified Party in procuring such recovery) if applied to reduce the Settled Claims Amount, would have reduced the Settled Claims Adjustment Amount.

11.5 Mitigation of Damages. A Buyer Indemnified Party shall, to the extent practicable and reasonably within its control and at the expense of the Sellers, make commercially reasonable efforts to mitigate any Losses of which it has adequate notice; provided that the Buyer Indemnified Party shall not be obligated to act in contravention of applicable Law or in contravention of reasonable and customary practices of such Buyer Indemnified Party.

11.6 Adjustment to Purchase Price. Buyer Parent, the Company, their respective Affiliates and Sellers shall treat any and all payments under this Article 11 as an adjustment to the purchase price for Tax purposes unless otherwise required by Law.

11.7 Indemnification Escrow Funds. The indemnification obligations set forth in this Article 11 shall be subject to the provisions set forth in Sections 10.8 and 10.9 of this Agreement.

11.8 Satisfaction of Claims. In the event of any claim for indemnification under Article 10 or Article 11 or any payment to be made under Section 3.7(m), such claim or payment, as the case may be, shall be satisfied in the following priority: (i) if such claim is properly asserted in accordance with this Agreement, or such payment becomes payable, prior to the release of the funds from the Working Capital Escrow Account pursuant to Section 3.7(k), then out of the funds available in the Working Capital Escrow Account following satisfaction of the payments made under Sections 3.7(g), (h), (i) and (j), (ii) out of the Indemnification Escrow Funds and (iii) inclusion in the Settled Claims Amount as a satisfied claim. To the extent funds remain available in the Working Capital Escrow Account following satisfaction of the payments made under Sections 3.7(g), (h), (i) and (j) and the first sentence of this Section 11.8, an amount of such funds equal to the aggregate amount, if any, of all claims for indemnification of the Buyer Indemnified Parties which have been properly asserted in accordance with this Agreement prior to the release of the funds from the Working Capital Escrow Account pursuant to Section 3.7(k), and remain pending and unresolved on such date, shall be deemed to be Indemnification Escrow Funds and, at the time of the release under Section 3.7(k), such funds shall be released from the Working Capital Escrow Account and deposited into the Indemnification Escrow Account by the Escrow Agent. For the avoidance of doubt, notwithstanding anything to the contrary contained in this Article 11 or Article 10, payments made under this Section 11.8 that originally were to be made under Section 3.7(m) shall be made without deduction or set off.

## ARTICLE 12 TERMINATION

12.1 Termination. This Agreement may be terminated and the Merger abandoned at any time prior to the Effective Time by written notice, whether before or after the Company Stockholder Approval shall have been obtained:

- (a) by mutual written agreement of Buyer and the Company, in each case, duly authorized by their respective Boards of Directors or duly authorized committees thereof;
- (b) by either Buyer or the Company, if

(i) the Effective Time shall not have occurred on or before September 30, 2008 (the "End Date"); provided, further, that the right to terminate this Agreement under this Section 12.1(b)(i) shall not be available to any party whose breach of or

failure to perform any representation, warranty, covenant or agreement under this Agreement has been the principal cause of, or resulted in, the failure of the Merger to occur on or before such date;

(ii) any Governmental Entity of competent jurisdiction shall have issued an order, decree or ruling or taken any other action permanently restraining, enjoining or otherwise prohibiting the Merger or any of the other Transactions, in either case, (A) on the basis that the Merger and the other Transactions are violative of any Antitrust Law or (B) for any reason other than as contemplated by Section 12.1(b)(ii) (A), and, in each case, such order, decree, ruling or action shall have become final and nonappealable; provided, however, that the right to terminate under this Section 12.1(b)(ii) shall not be available to any party whose breach of or failure to perform any representation, warranty, covenant or agreement under this Agreement has been the principal cause of, or resulted in, such order, decree, ruling or action; provided, further, that the right to terminate under this Section 12.1(b)(ii) shall not be available to any party who has not used its reasonable best efforts to remove such order, decree, ruling or action, in accordance with Section 8.2; or

(iii) the Company Stockholder Meeting (as adjourned or postponed, as applicable) has been convened and concluded and the Company Stockholder Approval shall not have been obtained; or  
(c) by the Company,

(i) if a breach of or failure to perform in any material respect any representation, warranty, covenant or agreement set forth in this Agreement by Buyer Parent, Buyer or Merger Sub shall have occurred which breach or failure to perform would give rise to the failure of a condition set forth in Section 9.1 or 9.2, and (x) if curable, such breach or failure has not been cured by the End Date after the receipt of written notice thereof from the Company or (y) if such breach or failure is not reasonably capable of being cured by the End Date after the receipt of written notice thereof from the Company, at least fifteen (15) days prior to such termination, stating the Company's intention to terminate this Agreement and the basis for such termination; provided that the Company may not terminate this Agreement pursuant to this Section 12.1(c)(i) if it is in material breach of any of its representations, warranties, covenants or obligations under this Agreement so as to cause any of the conditions set forth in Section 9.1 or 9.3 not to be satisfied;

(ii) prior to obtaining the Company Stockholder Approval, in response to an Acquisition Proposal that the Company's Board of Directors concludes in good faith constitutes a Superior Proposal as contemplated by Section 6.3(c); provided, however, that termination of this Agreement pursuant to this Section 12.1(c)(ii) shall not be effective until the Company Termination Fee has been paid to Buyer in accordance with Section 12.2(b)(ii); or

(iii) if the Effective Time shall not have occurred on or before the date required under Section 2.2(d) due to Buyer Parent's, Buyer's or Merger Sub's failure to

effect the Closing in breach of this Agreement (as modified or amended from time to time, including pursuant to Section 8.7(c)), and at the time of such termination (treating such date of termination as if it were the Closing Date) the conditions set forth in Sections 9.1(a), (b), (c) and (e) and 9.3(a) (other than the delivery by the Company of the officer's certificate) and (b) have been satisfied or waived, and there is no state of facts or circumstances that would reasonably be expected to cause the conditions set forth in Section 9.1(d), or Section 9.3(c), (d), (e), (f) or (g) not to be satisfied as of such date if the Closing were to occur on such date; or

(iv) on or prior to the seventh (7<sup>th</sup>) day after the Debt Commitment Deadline, if (A) Buyer Parent fails to provide the Company with a Debt Commitment Letter on or prior to the Debt Commitment Deadline, (B) the Debt Financing is an Acceptable Debt Financing and Buyer Parent, Buyer or Merger Sub requests that a condition to the obligation of Buyer Parent, Buyer and Merger Sub to consummate the Merger be the negotiation, execution and delivery of definitive documentation with respect to the Debt Financing reasonably satisfactory to Buyer Parent pursuant to Section 8.7(c)(i), or (C) (1) fails to irrevocably waive the Financing Condition in accordance with Section 8.7(c) or (2) Buyer Parent, Buyer or Merger Sub requests conditions to the Merger Agreement pursuant to Section 8.7(c)(ii); or

(d) by Buyer, if:

(i) a breach of or failure to perform in any material respect any representation, warranty, covenant or agreement set forth in this Agreement by the Company shall have occurred which breach or failure to perform would give rise to the failure of a condition set forth in Section 9.1 or 9.3, and (x) if curable, such breach or failure has not been cured by the End Date after the receipt of written notice thereof from Buyer or (y) if such breach or failure is not reasonably capable of being cured by the End Date after receipt of written notice thereof from Buyer, at least fifteen (15) days prior to such termination, stating Buyer's intention to terminate this Agreement and the basis for such termination; provided that Buyer may not terminate this Agreement pursuant to this Section 12.1(d)(i) if it, Buyer Parent or Merger Sub is in material breach of any of its representations, warranties, covenants or obligations under this Agreement so as to cause any of the conditions set forth in Section 9.1 or 9.2 not to be satisfied;

(ii) the Board of Directors of the Company or any duly authorized committee of the Board of Directors of the Company shall, or, as applicable, shall cause the Company to, (1) withdraw the Company Recommendation, (2) amend, modify, change, condition or qualify the Company Recommendation in a manner adverse to Buyer Parent, Buyer or Merger Sub, (3) fail to call and hold the Company Stockholder Meeting in accordance with Section 6.2 or fail to include the Company Recommendation in the Information Circular, (4) fail to amend the Stock Rights Plan in accordance with Section 6.5 on or prior to June 13, 2008, (5) enter into any letter of intent or agreement in principle or any other agreement providing for any Acquisition Proposal, or (6) approve, endorse or recommend that the Company Stockholders vote their Company Shares in favor of any Acquisition Proposal; or

(iii) Buyer Parent fails to provide the Company with a Debt Commitment Letter on or prior to the Debt Commitment Deadline; provided, however, that the right to terminate under this Section 12.1(d) shall not be available to Buyer if Buyer Parent, Buyer or Merger Sub have breached Section 8.7(a) and such breach has resulted in the failure to obtain a Debt Commitment Letter constituting an Acceptable Debt Financing.

12.2 Effect of Termination.

(a) If this Agreement is terminated pursuant to Section 12.1, this Agreement shall forthwith become null and void and there shall be no liability or obligation on the part of Guarantor, Buyer Parent, Buyer, Merger Sub, the Company or any of their respective Representatives, stockholders or Affiliates, except that, subject to Section 12.2(e), no such termination shall relieve any party hereto of any liability or damages resulting from fraud; provided, that the provisions of Sections 8.4, 12.2, and 12.3 and Article 13 and the last sentence of Section 8.7(e) and the definitions of the defined terms used in such provisions of this Agreement, wherever located herein, shall remain in full force and effect and survive any termination of this Agreement.

(b) In the event that:

(i) this Agreement is terminated by Buyer pursuant to Section 12.1(d)(i) (due to a willful breach of any representation, warranty, covenant or agreement) or Section 12.1(d)(ii) (excluding Section 12.1(d)(ii)(4)), the Company shall pay to Buyer (by wire transfer of immediately available funds to an account designated by Buyer) within five (5) Business Days following such termination a cash amount equal to \$63,000,000 (the "Company Termination Fee");

(ii) this Agreement is terminated by the Company pursuant to Section 12.1(c)(ii), then on the date of termination of this Agreement, the Company shall pay to Buyer (by wire transfer of immediately available funds to an account designated by Buyer) a cash amount equal to the Company Termination Fee; or

(iii) this Agreement is terminated pursuant to (x) Section 12.1(c)(iv)(C) and the applicable conditions to the Merger Agreement requested by Buyer Parent, Buyer or Merger Sub were such that, if the conditions to the Debt Financing (and any additional conditions specified by Buyer Parent, Buyer or Merger Sub pursuant to Section 8.7(c)) had been satisfied and the Debt Financing had been consummated, the terms of the Debt Financing would have constituted an Acceptable Debt Financing, or (y) Section 12.1(b)(iii), then, in the case of clause (y) of this Section 12.2(b)(iii), the Company shall pay to Buyer (by wire transfer of immediately available funds to an account designated by Buyer) within five (5) Business Days following such termination a cash amount equal to all reasonable out-of-pocket documented fees and expenses (including all fees and expenses of counsel, accountants, consultants, financial advisors and investment bankers), up to a maximum amount of six million dollars (\$6,000,000) in the aggregate, incurred by Buyer Parent, Buyer or Merger Sub or on their behalf in connection with or related to the authorization, preparation, negotiation, execution and performance of this

Agreement, the Ancillary Agreements and the Financing and all other matters related to the Transactions (the "Buyer Expenses"); and, in the case of clause (x) or clause (y) of this Section 12.2(b)(iii), if an Acquisition Proposal (with all percentages included in the definition of Acquisition Proposal increased to forty percent (40%) for purposes of this definition) is completed or a definitive agreement is executed by the parties thereto with respect to such an Acquisition Proposal prior to or within the twelve (12) months following the date on which this Agreement is terminated, the Company shall pay to Buyer (by wire transfer of immediately available funds to an account designated by Buyer) on the next Business Day following the closing of the transaction contemplated by such Acquisition Proposal or, if an Acquisition Proposal was delivered to the Company's Board of Directors, or otherwise generally known by the Company Stockholders, at or prior to the Company Stockholder Meeting, the execution of the definitive agreement with respect to an Acquisition Proposal, a cash amount equal to the Company Termination Fee minus the Buyer Expenses previously paid to Buyer pursuant to this Section 12.2(b)(iii), if any.

(c) In the event that this Agreement is terminated by Buyer or the Company pursuant to Section 12.1(b)(i) or Section 12.1(b)(ii)(A) and, in each case, at the time of such termination,

(i) the Company had the right, in accordance with the terms hereof, to terminate this Agreement pursuant to Section 12.1(b)(i) or Section 12.1(b)(ii)(A), as applicable,

(ii) in the event of such termination pursuant to Section 12.1(b)(i) and treating such date of termination as if it were the Closing Date, the conditions set forth in Section 9.1(a), (c) (other than the Antitrust Conditions) and (e), 9.3(a) (other than the delivery by the Company of the officer's certificate) and 9.3(b) have been satisfied or waived, and there is no state of facts or circumstances that would reasonably be expected to cause the conditions set forth in Section 9.1(d), or Section 9.3(c), (d), (e), (f) or (g) not to be satisfied by the End Date if the Closing were to occur on such date, and

(iii) in the event of such termination pursuant to Section 12.1(b)(ii)(A), and the conditions set forth in Section 9.1(a), (c) (other than the Antitrust Conditions) and (e) shall have been satisfied or waived and (treating such date of termination as if it were the Closing Date) the conditions set forth in Section 9.3(a) (other than the delivery by the Company of the officer's certificate) have been satisfied or waived, and there is no state of facts or circumstances that would reasonably be expected to cause the conditions set forth in Section 9.1(d), or Section 9.3(b), (c), (d), (e), (f) or (g) not to be satisfied by the End Date if the Closing were to occur on such date, then Buyer Parent or Buyer shall pay to the Company (by wire transfer of immediately available funds to an account designated by the Company) within five (5) Business Days following such termination a cash amount equal to \$84,000,000 (the "Buyer Termination Fee").

(d) In the event that this Agreement is terminated (i) pursuant to Section 12.1(c)(i) (due to a willful breach of any representation, warranty, covenant or agreement) or (ii) by the Company pursuant to Section 12.1(c)(iii), Buyer or Buyer Parent shall pay to the Company (by wire transfer of immediately available funds to an account designated by the Company) within

five (5) Business Days following the date of such termination, a cash amount equal to the Buyer Termination Fee.

(e) The Company, Newco, Buyer Parent, Buyer and Merger Sub acknowledge and agree that the agreements contained in this Section 12.2 are an integral part of the Transactions, and that, without these agreements, the Company, Buyer Parent, Buyer and Merger Sub would not enter into this Agreement, and that none of the Buyer Termination Fee, the Buyer Expenses or the Company Termination Fee is a penalty, but rather is liquidated damages in a reasonable amount that will compensate the Company or Buyer Parent, Buyer and Merger Sub, as the case may be, in the circumstances in which such fee or amount of expenses is payable for the efforts and resources expended and opportunities foregone while negotiating this Agreement and in reliance on this Agreement and on the expectation of the consummation of the Transactions, which amount would otherwise be impossible to calculate with precision. Accordingly, notwithstanding anything to the contrary contained in this Agreement, if this Agreement is terminated prior to the Closing, (a) the Company's right to receive the Buyer Termination Fee shall be the sole and exclusive remedy of the Company and each of its Affiliates (including Newco, in its capacity as Seller Representative), stockholders and Representatives, against Guarantor, Buyer Parent, Buyer and Merger Sub, and each of their respective Affiliates, stockholders and Representatives, for any loss or damage of any nature suffered as a result of the failure of the Merger to be consummated and any other losses, damages or obligations suffered as a result of or under this Agreement, the Ancillary Agreements, and the transactions contemplated hereby or thereby, and upon payment of the Buyer Termination Fee in accordance with the terms of this Section 12.2, none of Guarantor, Buyer Parent, Buyer or Merger Sub nor any of their respective Affiliates, stockholders or Representatives shall have any further liability or obligation relating to or arising out of this Agreement, the Ancillary Agreements, or the transactions contemplated hereby or thereby and (b) Buyer's right to receive the Company Termination Fee (in its entirety or as such amount may be reduced by the amount of the Buyer Expenses pursuant to Section 12.2(b)(iii)) or the Buyer Expenses, as the case may be, shall be the sole and exclusive remedy of Guarantor, Buyer Parent, Buyer and Merger Sub and each of its Affiliates, stockholders and Representatives, against the Company and each of its Affiliates, stockholders and Representatives, for any loss or damage of any nature suffered as a result of the failure of the Merger to be consummated and any other losses, damages or obligations suffered as a result of or under this Agreement, the Ancillary Agreements, and the transactions contemplated hereby or thereby, and upon payment of the Company Termination Fee (in its entirety or as such amount may be reduced by the amount of the Buyer Expenses pursuant to Section 12.2(b)(iii)) or the Buyer Expenses in accordance with the terms of this Section 12.2, as the case may be, the Company and each of its Affiliates, stockholders and Representatives shall have no further liability or obligation relating to or arising out of this Agreement, the Ancillary Agreements, or the transactions contemplated hereby or thereby; provided that (i) if the Company fails promptly to pay the amount due pursuant to Section 12.2(b) or (ii) if Guarantor, Buyer Parent, Buyer or Merger Sub fails promptly to pay the amount due pursuant to Section 12.2(c) or 12.2(d), as the case may be, then (x) such unpaid amount shall bear interest from the date such payment was required to be made until the date of payment at a per annum rate equal to the JPMorgan Chase prime rate, in effect on the date such payment was required to be made and (y) if, in order to obtain such payment, the Company or Guarantor, Buyer Parent, Buyer or Merger Sub, as applicable, commences a suit that results in a judgment against Buyer or the Company for the Buyer Termination Fee or the Company Termination Fee (in its entirety or as

such amount may be reduced by the amount of the Buyer Expenses pursuant to Section 12.2(b)(iii) or Buyer Expenses, as applicable, Guarantor, Buyer Parent, Buyer or Merger Sub shall pay to the Company or the Company shall pay to Guarantor, Buyer Parent, Buyer or Merger Sub, as applicable, its costs and expenses (including reasonable attorneys' fees and expenses) in connection with such suit. If this Agreement is terminated prior to the Closing in cases involving a breach of this Agreement by Buyer Parent, Buyer or Merger Sub where the Buyer Termination Fee is not payable or a breach of this Agreement by the Company where the Company Termination Fee is not payable, other than in cases of fraud, in no event shall Buyer Parent, Buyer, Merger Sub and the Guarantor on the one hand, or the Company on the other hand, be subject to any liability for any losses or damages of any nature arising from or in connection with any such breach. Notwithstanding anything in this Agreement to the contrary, (i) except as set forth in Section 13.8, none of the Company, Newco, Buyer Parent, Buyer or Merger Sub shall be entitled to specific performance and (ii) recovery against the Guaranty shall be the sole and exclusive remedy of the Company and each of its Affiliates (including Newco, in its capacity as Seller Representative), stockholders and Representatives, against Guarantor, Buyer Parent, Buyer and Merger Sub, and each of their respective Affiliates, stockholders and Representatives and the maximum liability of Guarantor shall be limited to the express obligations of the Guaranty.

(f) If more than one provision contained in Section 12.1 is an applicable basis for termination of this Agreement by the Company or Buyer, as applicable, then the Company or Buyer, as applicable, shall be entitled to assert more than one provision contained in Section 12.1 as the basis for its termination of this Agreement; provided that (i) the Company shall not be entitled to more than one recovery of the Buyer Termination Fee, and (ii) Buyer Parent, Buyer and Merger Sub shall not be entitled to more than one recovery of the Company Termination Fee (net of the Buyer Expenses where the Buyer Expenses are payable) and the Buyer Expenses, if applicable.

12.3 Fees and Expenses. Except as otherwise specifically provided herein, all fees and expenses incurred in connection with this Agreement and the Transactions shall be paid by the party incurring expenses, whether or not the Merger is consummated.

### ARTICLE 13 MISCELLANEOUS

13.1 Notices. All notices, requests and other communications to any party hereunder shall be in writing (including facsimile or similar writing) and shall be given,

if to Buyer Parent, Buyer or Merger Sub, to:

Explorer Holding Corporation  
1001 Pennsylvania Ave NW  
Suite 220 South  
Washington, DC 20004  
Attention: Peter Clare  
Facsimile No.: (202) 347-9250



with a copy to (which copy shall not be deemed to be notice to Buyer Parent, Buyer or Merger Sub):

Debevoise & Plimpton LLP  
919 Third Avenue  
New York, NY 10022  
Attention: Jeffrey J. Rosen  
Facsimile No.: (212) 909-6836

if to the Company, to:

Booz Allen Hamilton Inc.  
8283 Greensboro Drive  
McLean, Virginia 22012  
Attention: Law Department  
Facsimile No.: (703) 902-3580

with a copy to (which copy shall not be deemed to be notice to the Company):

Latham & Watkins LLP  
885 Third Avenue  
New York, NY 10022  
Attention: Barry A. Bryer  
David I. Brown  
Facsimile Number: (212) 751-4864

if to the Seller Representative, to:

Booz & Company Inc.  
101 Park Avenue  
New York, NY 10178  
Attention: Law Department  
Facsimile No.: (212) 551-6562

with a copy to (which copy shall not be deemed to be notice to the Seller Representative):

Latham & Watkins LLP  
885 Third Avenue  
New York, NY 10022  
Attention: Barry A. Bryer  
David I. Brown  
David A. Kurzweil  
Facsimile Number: (212) 751-4864

or such other address or facsimile number as a party may hereafter specify for the purpose by notice to the other parties hereto. Each notice, request or other communication shall be effective only (a) if given by facsimile, when the facsimile is transmitted to the facsimile number specified

in this Section and the appropriate facsimile confirmation is received or (b) if given by overnight courier or personal delivery, when delivered at the address specified in this Section.

13.2 Survival. None of the representations, warranties, covenants and agreements contained herein or in any instrument delivered pursuant to this Agreement (but excluding the Ancillary Agreements) shall survive the Effective Time other than (i) the agreements set forth in Article 3, Sections 7.1, 7.2, and 12.3, clause (D) of the proviso at the end of Section 8.7(e), Article 13 and, to the extent not otherwise addressed in this Section 13.2, Articles 10 and 11, (ii) those other covenants and agreements contained herein which by their terms expressly apply or expressly are to be performed in whole or in part after the Effective Time, (iii) Sections 2.1, 2.4, 7.3, 8.2, 8.3, 8.4 and 8.5(b), Article 6 and the matters set forth in Section 11.1(a)(ii) with respect to failures to perform the Spin Off Agreement, which shall survive through the first (1<sup>st</sup>) anniversary of the Closing Date (iv) the representations and warranties of the Company in Sections 4.7(a), 4.7(c) and 4.11 (other than 4.11(g)), which shall survive for eighteen (18) months from the Closing Date, (v) the representations and warranties of the Company in Sections 4.2, 4.5(a), 4.5(b) (excluding clauses (iv) and (v)), and 4.5(c), which shall survive through the second (2<sup>nd</sup>) anniversary of the Closing Date, (vi) the representations and warranties of the Company in Sections 4.17(d)(vii), 4.17(d)(viii) and 4.27 and the matters set forth in Sections 11.1(a)(iii) and 11.1(a)(iv), which shall survive through the fifth (5<sup>th</sup>) anniversary of the Closing Date, and (vii) the representations and warranties of the Company in Section 4.11(g) and all Tax matters contemplated by Article 10, which shall survive through the Termination Date.

13.3 Amendments; No Waivers.

(a) Any provision of this Agreement may be amended or waived prior to the Effective Time, if, and only if, the amendment or waiver is in writing and signed, in the case of an amendment, by the Company, Buyer Parent, Buyer and Merger Sub or in the case of a waiver, by the party against whom the waiver is to be effective, except as provided in Section 8.7(c). Any provision of this Agreement may be amended or waived following the Effective Time, if, and only if, the amendment or waiver is in writing and signed, in the case of an amendment, by the Seller Representative, the Company, Buyer Parent and Buyer or, in the case of a waiver, by the party against whom the waiver is to be effective. Any such waiver shall constitute a waiver only with respect to the specific matter described in such writing and shall in no way impair the rights of the party granting such waiver in any other respect or at any other time.

(b) At any time prior to the Effective Time, any party hereto may with respect to any other party hereto (i) extend the time for the performance of any of the obligations or other acts of such party and (ii) waive any inaccuracies in the representations and warranties of such party contained herein or in any document delivered pursuant hereto. No such extension or waiver shall be deemed or construed as a continuing extension or waiver on any occasion other than the one on which such extension or waiver was granted or as an extension or waiver with respect to any provision of this Agreement not expressly identified in such extension or waiver on the same or any other occasion. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by Law or in equity.

13.4 Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of Law or otherwise) without the prior written consent of the other parties; provided, however, that (i) all or any of the rights or obligations of Buyer Parent, Buyer or Merger Sub may be assigned to any direct or indirect wholly-owned Subsidiary of such party and (ii) any of Buyer Parent, Buyer and Merger Sub may assign (including by way of a pledge) to its lenders or other financing sources any or all of its rights hereunder (including its rights to seek indemnification hereunder) as collateral security (in either case, which assignment shall not relieve such assigning party of its obligations hereunder). Any purported assignment in violation hereof shall be null and void.

13.5 Counterparts; Effectiveness; Third Party Beneficiaries. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one agreement. This Agreement shall become effective when each party hereto shall have received counterparts hereof signed by all of the other parties hereto. Until and unless each party has received a counterpart hereof signed by the other parties, this Agreement shall have no effect and no party shall have any right or obligation hereunder (whether by virtue of any other oral or written agreement or other communication). Except as provided in Sections 7.1, clause (D) of the proviso at the end of Section 8.7(e), Article 10 and (following the Effective Time) Article 3, no provision of this Agreement is intended to confer upon any Person other than the parties hereto any rights, benefits, obligations, liabilities or remedies hereunder.

13.6 Governing Law. This Agreement shall be construed in accordance with and governed by the internal laws of the State of Delaware applicable to contracts executed and fully performed within the State of Delaware.

13.7 Jurisdiction. Except as otherwise expressly provided in this Agreement, the parties hereto agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the Transactions shall be brought in the Court of Chancery of the State of Delaware (or, in the case of any claim as to which the federal courts have exclusive subject matter jurisdiction, the federal court of the United States of America sitting in the State of Delaware), and each of the parties hereby consents to the exclusive jurisdiction of those courts (and of the appropriate appellate courts therefrom) in any suit, action or proceeding and irrevocably waives, to the fullest extent permitted by Law, any objection which it may now or hereafter have to the laying of the venue of any suit, action or proceeding in any of those courts or that any suit, action or proceeding which is brought in any of those courts has been brought in an inconvenient forum. Process in any suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any of the named courts. Without limiting the foregoing, each party agrees that service of process on it by notice as provided in Section 13.1 shall be deemed effective service of process.

13.8 Enforcement. The parties recognize and agree that if for any reason any of the provisions of Section 8.4 or 8.6 are not performed in accordance with their specific terms or are otherwise breached, immediate and irreparable harm or injury would be caused to the Company or Buyer Parent, Buyer or Merger Sub, as the case may be. Accordingly, it is agreed that the

parties shall be entitled to seek specific performance of the obligations set forth in Sections 8.4 and 8.6 of this Agreement.

13.9 Entire Agreement. This Agreement (together with the exhibits and schedules hereto), the Ancillary Agreements, and the Confidentiality Agreement constitute the entire agreement between the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter hereof.

13.10 Appointment of Seller Representative as Attorney-In-Fact.

(a) Effective as of the Closing, and without any further action by the Company or the Sellers (other than the Company Stockholder Approval), Newco shall be appointed as agent and attorney-in-fact for each Seller (other than holders of Dissenting Shares) (the "Seller Representative"), with full power and authority in the name of and for and on behalf of such Seller, to serve as the Seller Representative under this Agreement and to exercise the power and authority to act on behalf of, and in the name of, such Seller with respect to all matters relating to this Agreement, the Escrow Agreement and the Merger. Without limiting the generality of the foregoing, the Seller Representative is hereby granted the power and authority by each Seller to negotiate and enter into amendments to this Agreement and the Escrow Agreement for and on behalf of each Seller, to act on each Seller's behalf in any dispute, litigation or arbitration involving this Agreement, the Escrow Agreement or any document delivered to the Seller Representative in such capacity pursuant hereto and to do or refrain from doing all such further acts and things, and execute all such documents as the Seller Representative shall deem necessary or appropriate in connection with the Merger. A decision, act, consent or instruction of the Seller Representative shall constitute a decision of all of the Sellers and shall be final, binding and conclusive on each Seller, and the Escrow Agent, Buyer Parent, Buyer, Merger Sub, the Surviving Corporation and each of their respective representatives, may rely upon such decision, act, consent or instruction of the Seller Representative as being the decision, act, consent or instruction of every Seller. In the event of the dissolution of the Seller Representative, the Sellers holding an aggregate Escrow Percentage greater than 50% shall promptly appoint a substitute Seller Representative and shall notify Buyer Parent, Buyer and the Escrow Agent of such action, such appointment to be effective upon such newly appointed Seller Representative's delivery of written notice to Buyer Parent and Buyer of such newly appointed Seller Representative's acceptance of such appointment and agreement to perform its obligations under this Agreement. As between the Seller Representative and the Sellers, the Seller Representative shall not be liable for, and shall be indemnified by the Sellers against any good faith error of judgment on its part or for any other act done or omitted by it in good faith in connection with its duties as the Seller Representative, except for willful misconduct. The authority conferred under this Section 13.10 is an agency coupled with an interest and, to the extent permitted by applicable Laws, all authority conferred hereby is irrevocable and not subject to termination by the Sellers or by operation of Law, whether by the death or incapacity of any of the Sellers, or the occurrence of any other event. If any Seller should die or become mentally or physically incapacitated, or if any other event shall occur, any action taken by the Seller Representative pursuant to this Section 13.10 shall be valid as if such death or incapacity, or other event had not occurred, regardless of whether or not the Seller Representative, Buyer

Parent, the Surviving Corporation or Buyer shall have received notice of such death, incapacity, termination, or other event.

(b) In addition to the foregoing, the Seller Representative (also acting by majority) is hereby designated and appointed by the Sellers as trustee of a trust hereby established for the purpose of receiving, holding, investing, reinvesting and distributing funds, all for the account of the Sellers.

(c) The Sellers hereby acknowledge and agree that (i) any payment or release by the Buyer Parent, the Surviving Corporation, Buyer or the Escrow Agent of any amounts (including from the Escrow Accounts) to the Seller Representative or (as directed by the Seller Representative) the Sellers shall satisfy in full all obligations of Buyer Parent, Buyer, the Surviving Corporation and the Escrow Agent, and all rights of the Sellers, with respect to the amount of such payment or release and (ii) none of Buyer, Buyer Parent, the Surviving Corporation or the Escrow Agent shall have any responsibility with respect to such amounts after delivery to the Seller Representative or (as directed by the Seller Representative) the Sellers.

13.11 Authorship; Representation by Counsel. The parties agree that the terms and language of this Agreement were the result of negotiations between the parties and, as a result, there shall be no presumption that any ambiguities in this Agreement shall be resolved against any party. Any controversy over construction of this Agreement shall be decided without regard to events of authorship or negotiation. Each of the parties hereto acknowledges that it has been represented by independent counsel of its choice throughout all negotiations that have preceded the execution of this Agreement.

13.12 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of Law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the Transactions is not affected in any manner materially adverse to any party. Upon a determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that Transactions are fulfilled as originally contemplated to the fullest extent possible.

13.13 Waiver of Jury Trial. THE PARTIES AGREE THAT THEY HEREBY IRREVOCABLY WAIVE, AND AGREE TO CAUSE THEIR RESPECTIVE SUBSIDIARIES TO WAIVE, THE RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT OR PROCEEDING TO ENFORCE OR INTERPRET THE PROVISIONS OF THIS AGREEMENT.

13.14 Rules of Construction.

(a) The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. In this Agreement (i) words denoting the singular include the plural and vice versa, (ii) "it" or "its" or words denoting any gender include all genders, (iii) the words "including", "includes" and "include" shall be deemed to be followed by the words "without limitation," whether or not expressed, (iv) any reference herein to a Section, Article, Exhibit or Schedule refers to a Section or Article of or

an Exhibit or Schedule to this Agreement, unless otherwise stated, (v) when calculating the period of time within or following which any act is to be done or steps taken, the date which is the reference day in calculating such period shall be excluded and if the last day of such period is not a Business Day, then the period shall end on the next day which is a Business Day, (vi) the words "shall" and "will" have the same meaning, and (vii) "hereof", "herein", "hereto" and "hereunder" and words of similar import shall refer to this Agreement as a whole and not to any particular provision of this Agreement. References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof. References to any Person include the successors and permitted assigns of that Person. The words "party" or "parties" shall refer to the parties to this Agreement. Unless the context otherwise requires or as otherwise expressly provided herein, the phrases "immediately prior to the Effective Time" and "as of the Effective Time" shall refer to that period of time on the Closing Date after the Contribution and Spin Off have become effective and prior to the Merger, giving effect to the Exchanges and the Acceleration.

(b) The inclusion of any information in the Company Disclosure Schedule or Buyer Disclosure Schedule shall not be deemed an admission or acknowledgment, in and of itself and solely by virtue of the inclusion of such information in the Company Disclosure Schedule or Buyer Disclosure Schedule, as applicable, that such information is required to be listed in the Company Disclosure Schedule or Buyer Disclosure Schedule, as applicable, or that such items are material to the Company, Buyer Parent, Buyer or Merger Sub, as the case may be. The headings, if any, of the individual sections of each of the Company Disclosure Schedule and Buyer Disclosure Schedule are inserted for convenience only and shall not be deemed to constitute a part thereof or a part of this Agreement. The Company Disclosure Schedule and Buyer Disclosure Schedule are arranged in sections corresponding to those contained in Articles IV and V, as applicable, merely for convenience, and the disclosure of an item in one section of the Company Disclosure Schedule or Buyer Disclosure Schedule as an exception to a particular representation or warranty shall be deemed adequately disclosed as an exception with respect to all other representations or warranties to the extent that the relevance of such item to such representations or warranties is reasonably apparent on the face of such item, notwithstanding the presence or absence of an appropriate section of the Company Disclosure Schedule or Buyer Disclosure Schedule with respect to such other representations or warranties or an appropriate cross reference thereto.

(c) The specification of any dollar amount in the representations and warranties or otherwise in this Agreement or in the Company Disclosure Schedule or Buyer Disclosure Schedule is not intended and shall not be deemed to be an admission or acknowledgment of the materiality of such amounts or items, nor shall the same be used in any dispute or controversy between the parties to determine whether any obligation, item or matter (whether or not described herein or included in any schedule) is or is not material for purposes of this Agreement.

[Remainder of page intentionally left blank.]

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.

**BOOZ ALLEN HAMILTON INC.**

By: /s/ Ralph W. Shrader  
Name: Ralph W. Shrader  
Title: Chairman and Chief Executive Officer

**EXPLORER HOLDING CORPORATION**

By: /s/ Ian Fujiyama  
Name: Ian Fujiyama  
Title: Vice President

**EXPLORER INVESTOR CORPORATION**

By: /s/ Ian Fujiyama  
Name: Ian Fujiyama  
Title: Vice President

**EXPLORER MERGER SUB CORPORATION**

By: /s/ Ian Fujiyama  
Name: Ian Fujiyama  
Title: Vice President

**BOOZ & COMPANY INC.,  
As Seller Representative**

By: /s/ Shurmeet Banerji  
Name: Shurmeet Banerji  
Title: Chief Executive Officer

SPIN OFF AGREEMENT  
BY AND AMONG  
BOOZ ALLEN HAMILTON INC.,  
BOOZ & COMPANY HOLDINGS, LLC,  
BOOZ & COMPANY INC.,  
BOOZ & COMPANY INTERMEDIATE I INC.  
AND  
BOOZ & COMPANY INTERMEDIATE II INC.  
DATED AS OF MAY 15, 2008

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## SPIN OFF AGREEMENT

SPIN OFF AGREEMENT (this "Agreement"), dated as of May 15, 2008, by and among Booz Allen Hamilton Inc., a Delaware corporation (the "Company"), Booz & Company Holdings, LLC, a Delaware limited liability company and a wholly owned subsidiary of the Company ("Newco LLC"), Booz & Company Inc., a Delaware corporation and a wholly owned subsidiary of the Company ("Newco"), Booz & Company Intermediate I Inc., a Delaware corporation and a wholly owned subsidiary of Newco ("Newco 2"), and Booz & Company Intermediate II Inc., a Delaware corporation and a wholly owned subsidiary of Newco 2 ("Newco 3") and together with the Company, Newco LLC, Newco and Newco 2, each, a "Party" and together, the "Parties"). All capitalized terms used herein shall have the meanings set forth in Article I.

WHEREAS, as of the date of this Agreement, the Company is engaged in (i) the U.S. Government Business, directly and indirectly through ASE, Inc., a Delaware corporation, Booz Allen Transportation, Inc., a New York corporation, Aestix, Inc., a Delaware corporation, Aestix (UK) Ltd., a company organized in the United Kingdom, Booz Allen & Hamilton Uruguay Sociedad Civil, a company organized in Uruguay, PAR Technology de Venezuela, S.R.L., a company organized in Venezuela, Applied Research de Venezuela, S.R.L., a company organized in Venezuela, and Business Operations Research de Venezuela S.R.L., a company organized in Venezuela (together with ASE, Inc., Booz Allen Transportation, Inc., Aestix, Inc., Aestix (UK) Ltd., Booz Allen & Hamilton Uruguay Sociedad Civil, PAR Technology de Venezuela, S.R.L. and Applied Research de Venezuela, S.R.L., the "U.S. Government Subsidiaries"), and (ii) the businesses of the Company and its Subsidiaries other than the U.S. Government Business (the "Other Businesses"), directly and indirectly through its Subsidiaries other than the U.S. Government Subsidiaries (the "Other Subsidiaries");

WHEREAS, the Company has entered into the Agreement and Plan of Merger (the "Merger Agreement"), dated as of the date hereof, with Explorer Holding Corporation, a Delaware corporation ("Buyer Parent"), Explorer Investor Corporation, a Delaware corporation ("Buyer"), Explorer Merger Sub Corporation, a Delaware corporation ("Merger Sub"), and Newco, pursuant to which Buyer shall acquire the U.S. Government Business through the merger of Merger Sub with and into the Company (the "Merger");

WHEREAS, as a condition precedent to the Closing (as defined in the Merger Agreement), the Company is required to separate the Other Businesses from the Company;

WHEREAS, the Company has caused Newco, Newco 2, Newco 3 and Newco LLC to be organized as its direct and indirect wholly owned subsidiaries in order to effect such separation;

WHEREAS, the board of directors or equivalent body of each of the Parties has determined that it would be appropriate and desirable for such Party to consummate the Contribution (as defined herein) and the Sale (as defined herein), as applicable, pursuant to which the Company will contribute and transfer to Newco LLC, and Newco LLC will receive

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and assume, certain of the assets, properties, rights and interests of the Company (including the Equity Interests (as defined herein) in the Other Subsidiaries (other than Newco, Newco 2, Newco 3, Newco LLC, Booz Allen Hamilton AB, a Swedish company and a wholly owned subsidiary of the Company (“BAH Sweden”), and Booz Allen Strategy Partners, Inc., a Delaware corporation and a wholly owned subsidiary of the Company (“BASP”)), and certain of the liabilities of the Company, and the Company will thereafter sell all of the Equity Interests in Newco LLC, BAH Sweden and BASP to Newco 3, all on the terms set forth in this Agreement;

WHEREAS, following the Contribution and the Sale, the Company, pursuant to the Merger Agreement and this Agreement, shall distribute to the shareholders of the Company all of the outstanding common stock of Newco (the “Spin Off”);

WHEREAS, immediately following the Spin Off, the Merger shall be consummated upon the terms and subject to the conditions set forth in the Merger Agreement and in accordance with the Delaware General Corporation Law; and

WHEREAS, the Parties intend this Agreement, including the Exhibits and Schedules hereto, to set forth the arrangements between them regarding the separation of the Other Businesses from the Company, the Contribution, the Sale and the Spin Off.

NOW THEREFORE, in consideration of the foregoing premises and of the mutual covenants and agreements herein contained, the Parties hereto, intending to be legally bound hereby, agree as follows:

#### ARTICLE I.

##### CERTAIN DEFINITIONS

As used in this Agreement, the following terms shall have the following meanings:

1.01 “Accounting Firm” has the meaning set forth in Section 2.03(e).

1.02 “Action” means any dispute, controversy, claim, action, litigation, suit, cause of action, arbitration, mediation, or any proceeding by or before any mediator or Governmental Entity, or any investigation, subpoena, or demand preliminary to any of the foregoing.

1.03 “Action Notice” has the meaning set forth in Section 6.04(a).

1.04 “Additional Cash Transfer” has the meaning set forth in Section 2.03(b).

1.05 “Affiliate” means, with respect to any Person, any other Person, directly or indirectly, controlling, controlled by, or under common control with, such first Person. For purposes of this definition, the term “control” (including the correlative terms “controlling”, “controlled by” and “under common control with”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

1.06 “Agreed Value” has the meaning set forth in Section 5.06(a).

1.07 “Agreement” has the meaning set forth in the preamble.

1.08 “Ancillary Agreements” means, collectively, (a) the Transition Services Agreements; (b) the Employee Matters Agreement; (c) the Collaboration Agreements; (d) the Branding Agreement; (e) the Intellectual Property Agreement; (f) the Trademark License Agreements; (g) the Warrants; and (h) all other documents required to be delivered on or prior to the Closing Date by any Party pursuant to Sections 2.02(b), 2.02(c) and 2.05 of this Agreement.

1.09 “Approved Commercial Entity” means a Person in the United States (other than a U.S. Government Body) that both (a) has annual revenues of less than \$3,000,000,000 (during the immediately preceding fiscal year) and (b) has not been a paying client of the Company or its Subsidiaries during the three year period preceding the Closing.

1.10 “Assumed Contracts” means those purchase orders, contracts, agreements and other obligations (a) primarily used or held for use in the Other Businesses as of the Closing (other than as set forth on Schedule 1.61(b)), (b) set forth on Schedule 1.10(b), (c) other than this Agreement, the Ancillary Agreements and those contracts set forth on Schedule 1.10(c), of the Company or any of the U.S. Government Subsidiaries, on the one hand, with Newco or any of the Other Subsidiaries, on the other hand or (d) with respect to those Pre-Closing Newco Projects and Pre-Closing Newco Project Extensions contemplated by Section 4.09(a).

1.11 “Assumed Liabilities” means the following liabilities and obligations:

(a) all liabilities and obligations (other than Income Taxes and Transactional Taxes), whether arising before, on or after the Closing Date, of the Company and its Subsidiaries, whether known or unknown, accrued or contingent, direct or indirect, to the extent arising from (x) the Other Businesses or the operation thereof, including any client projects of the Other Businesses, or (y) the ownership or operation of any of the Other Business Assets;

(b) 70% of any Other Liabilities;

(c) all liabilities and obligations of Newco and the Other Subsidiaries under the Assumed Contracts, this Agreement, the Ancillary Agreements or the Merger Agreement;

(d) all liabilities, obligations and commitments (i) expressly assumed or agreed to be performed by Newco or any of the Other Subsidiaries under Section 4.07 or the Employee Matters Agreement or (ii) arising out of the employment of, work performed by, or other activities of, the Newco Employees, whether arising prior to, on or after the Closing Date;

(e) all liabilities and obligations set forth on Schedule 1.11(e);

(f) all Supplemental Retirement Liabilities;

(g) all liabilities, obligations and commitments arising out of the employment of, work performed by, or other activities of, the individuals set forth on Schedule 1.11(g), whether arising prior to, on or after the Closing Date;

(h) all Restructuring Liabilities;

(i) all Other Taxes arising out of or related to the Other Businesses or the Other Business Assets, except for Transactional Taxes;

(j) all Income Taxes arising out of or related to the Other Businesses or the Other Business Assets (i) in the case of U.S. federal, state or local Income Taxes, to the extent attributable to tax periods or portions thereof beginning after the Closing Date and (ii) in the case of non-U.S. Income Taxes, to the extent attributable to any tax period;

(k) all liabilities, obligations and commitments under the Assumed Plans, whether arising prior to, on or after the Closing Date;

(l) all liabilities for Indebtedness (as defined in the Merger Agreement) (i) incurred in connection with the Commercial Restructuring (which, for the avoidance of doubt, shall not include the Spin Off Indebtedness), (ii) in the case of clauses (iii)-(vi) of such definition, to the extent related to an Other Business Asset or the Other Businesses, (iii) arising out of or related to the DCRIP Facility (as defined in the Merger Agreement), and (iv) arising out of the Letter of Guarantee of Newco and the Assignment, Assumption and Release Agreement (including the guarantee and other liabilities and obligations of the Company assumed by Newco pursuant thereto), in each case attached as Exhibit H to the Merger Agreement and to be executed and delivered pursuant to Section 9.3(f) of the Merger Agreement;

(m) all Newco Bonus Liabilities; and

(n) all Transition Restructuring Costs of Newco and the Other Subsidiaries.

1.12 "Assumed Plans" means any Company Plan maintained for the benefit of current or former Newco Employees, in each case as set forth in Schedule 1.12.

1.13 "BAH Sweden" has the meaning set forth in the Recitals.

1.14 "BASP" has the meaning set forth in the Recitals.

1.15 "Bonus Liabilities" means all liabilities (including fringe benefits and Taxes) at the Closing with respect to the payment of bonuses to the employees of the Company (including to Commercial Partners and individuals that following the Closing will be Newco Employees), except for Newco Bonus Liabilities.

1.16 "Books and Records" means, with respect to any Person, all books, records, ledgers, files and other documents, pertaining to the operation of such Person.



1.17 "Branding Agreement" means the agreement, in the form attached hereto as Exhibit A, between Newco and the Company, to be executed as of the Closing Date, licensing certain "Booz" Trademarks to Newco.

1.18 "Business Day," means any day, other than a Saturday, Sunday or one on which banks are authorized by law to be closed in New York, New York.

1.19 "Buyer" has the meaning set forth in the Recitals.

1.20 "Buyer Entities" means (i) Carlyle Investment Management, LLC, (ii) any private equity funds managed by Carlyle Investment Management, LLC and (iii) any Person of which Carlyle Investment Management, LLC or any fund or funds managed by Carlyle Investment Management, LLC beneficially owns (within the meaning of the Exchange Act) at least 35% of the outstanding voting power. Any Person in the prior sentence who ceases to be a "Buyer Entity" shall continue to be a "Buyer Entity" for purposes of this Agreement for so long as the relevant purchase order, contract, agreement or other obligation (or any renewal or extension thereof) remains in force and effect (but only with respect to such purchase order, contract, agreement or other obligation or renewal or extension thereof).

1.21 "Buyer Parent" has the meaning set forth in the Recitals.

1.22 "Change of Control" means any transaction, including any transaction consummated in multiple steps (whether by merger, consolidation or similar transaction or sale or transfer of voting shares, capital stock, assets or otherwise), as a result of which a Person, whether alone or together with such Person's Affiliates or as part of a "group" (within the meaning of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), that is not an Affiliate of another Person obtains beneficial ownership (within the meaning of the Exchange Act), directly or indirectly, (i) of shares or other capital stock which represent more than 50% of the total voting power of such other Person (or the Person surviving such transaction, as applicable), on a fully diluted basis, or (ii) of all or substantially all of the assets of such other Person. Notwithstanding anything to the contrary in this Section 1.22, none of the following transactions shall be deemed to constitute a "Change of Control": (a) any transaction involving the sale, issuance, purchase, redemption or repurchase of securities by, to or for the account of any employee benefit plan (or related trust) sponsored or maintained by the applicable Person or any employee stock ownership plan maintained by the applicable Person or any of its Affiliates; and (b) any stock repurchase or buy-back program conducted by the applicable Person or any of its Affiliates, from time to time.

1.23 "Class A Non-Voting Common Stock" means the Class A Non-Voting Common Stock, par value \$0.25 per share, of the Company.

1.24 "Class B Common Stock" means the Class B Common Stock, par value \$0.25 per share, of the Company.

1.25 "Class B Non-Voting Common Stock" means the Class B Non-Voting Common Stock, par value \$0.25 per share, of the Company.

1.26 "Client-Related Receivables" means any accounts receivable or other rights to payment owed by the Company or a U.S. Government Subsidiary to Newco or an Other Subsidiary, or by Newco or an Other Subsidiary to the Company or a U.S. Government Subsidiary, arising out of services or products sold to third parties.

1.27 "Closing" means the closing of the Spin Off in accordance with the terms and conditions as set forth in the Merger Agreement and this Agreement.

1.28 "Closing Date" means the date on which the Closing occurs, as provided in the Merger Agreement.

1.29 "Closing Date NAV" means an amount (which may be a positive or negative number) equal to (x) the value of the Other Business Assets less (y) the value of the Assumed Liabilities, in each case as of the Closing Date prior to giving effect to the Additional Cash Transfer and determined in accordance with GAAP, consistent with the accounting principles and practices applied in the preparation of the sample Closing Date NAV (which has been prepared in a manner consistent with the accounting principles and practices applied in the preparation of the audited consolidated financial statements of the Company for the years ended March 31, 2006 and 2007), which is attached hereto as Exhibit B; provided, however, that the sample Closing Date NAV attached hereto as Exhibit B does not include the assets and liabilities related to the Company's business of providing services and products to aerospace and defense clients that are not U.S. Government Bodies, which assets and liabilities shall be included in Closing Date NAV.

1.30 "Code" means the U.S. Internal Revenue Code of 1986, as amended.

1.31 "Collaboration Agreements" means the agreements, in the forms attached hereto as Exhibit C, between Newco and the Company, to be executed as of the Closing Date, relating to the collaboration between the Company and Newco with respect to certain customers of the Other Businesses and the U.S. Government Business, as applicable.

1.32 "Co-Marketing Customer" has the meaning set forth in Section 4.09(f)(iii).

1.33 "Commercial Acquired Company," has the meaning set forth in Section 4.09(b).

1.34 "Commercial Partners" means those Persons set forth on Schedule 1.34.

1.35 "Commercial Restructuring" means the actions taken in connection with the restructuring of the Other Businesses in connection with and prior to the Spin Off, including the actions set forth in Steps 1 — 4 on Exhibit D; retirement or termination of certain Commercial Partners or staff of the Other Businesses; terminating or restructuring operations of the Other Businesses; any funding of retirement plans (including, but not limited to, the German defined benefit pension plans); terminating or amending leases; rationalizing overhead; acquiring, building and redesigning infrastructure; recapitalizing and/or otherwise restructuring the Other Subsidiaries (including by way of forming new Subsidiaries, making entity tax classification elections or other tax elections, incurring third-party or intercompany debt or transferring Other

Business Assets held by and Assumed Liabilities of the Company or such Other Subsidiaries to Newco LLC or different Other Subsidiaries); and any other actions taken pursuant to Section 2.01(c).

1.36 "Common Stock" means the Common Stock, par value \$0.25 per share, of the Company.

1.37 "Company" has the meaning set forth in the preamble. As used herein, references to the Company shall be deemed to include the Surviving Corporation (as defined in the Merger Agreement) after consummation of the Merger.

1.38 "Company Competitor" means the Persons set forth on Schedule 1.38 and any Subsidiaries of any such Persons and the Prohibited Successors of any of the foregoing.

1.39 "Company Employee" has the meaning set forth in Article IX of the Employee Matters Agreement.

1.40 "Company Excepted Services" has the meaning set forth in Section 4.09(b).

1.41 "Company Guarantees" has the meaning set forth in Section 4.08.

1.42 "Company Indemnified Parties" means the Company, the U.S. Government Subsidiaries and each of their respective Affiliates and each of the respective officers, directors, employees, agents, advisers and representatives of any of the foregoing and each of the heirs, executors, successors and assigns of any of the foregoing.

1.43 "Company Intellectual Property" means (a) the Intellectual Property owned by the Company or any of its Subsidiaries and primarily used or held for use in the U.S. Government Business as of the Closing Date and (b) the Licensed Marks (as defined in the Branding Agreement), together with (i) all rights to use such Intellectual Property and all other rights in, to, and under such Intellectual Property, (ii) all drawings, records, books, electronic or tangible embodiments or other indicia, however evidenced, of such Intellectual Property, (iii) the right to sue or otherwise recover for past, present and future infringement, misappropriation, dilution or other violation or impairment of such Intellectual Property, and (iv) all proceeds of such Intellectual Property, including license fees, royalties, income, payments, claims, damages, and proceeds of suit now or hereafter due and/or payable.

1.44 "Company Plans" has the meaning set forth in Article IX of the Employee Matters Agreement.

1.45 "Company Services" means (i) the provision or sale of any consulting services, either management or technical, whether as a prime contractor or a subcontractor, or any related products to any U.S. Government Body; (ii) Foreign Government Projects (provided that, to the extent permitted by applicable law and the terms of the applicable client engagements, the Company agrees to notify the general counsel of Newco by email, and will use its commercially reasonable efforts to provide such notice at least three (3) Business Days in advance, regarding any Foreign Government Projects involving the performance of services or

the provision of products in the Newco Covered Territories to be entered into subsequent to the Closing Date); (iii) International Defense Projects; (iv) World Bank Engagements; provided, however, that, for the avoidance of doubt, Company Services shall not include World Bank Funded Engagements, which shall be deemed to be part of the Newco Services; (v) Cybersecurity Services; provided, however, that, to the extent permitted by applicable law and the terms of the applicable client engagements, the Company shall respond to inquiries as to whether the Company provides Cybersecurity Services to a given list of Persons upon Newco's request (but not more than four (4) times during any 12-month period); (vi) the provision or sale of any consulting services, either management or technical, whether as a prime contractor or a subcontractor, or any related products to any non-governmental or not-for-profit organization set forth on Schedule 1.45; and (vii) the provision or sale of any consulting services, either management or technical, in each case, whether as a prime contractor or a subcontractor, or any related products, as part of engagements of a classified nature anywhere in the world related to U.S. national security at the request of or directly or indirectly funded by (A) the U.S. Office of the Director of National Intelligence or a subordinate entity reporting to the U.S. Director of National Intelligence or (B) the U.S. Department of Defense; provided that, in the case of clause (vii), (1) the opportunity for any such engagement was originated by a U.S. Government Body and (2) to the extent permitted by the nature of such engagement, by applicable law and by the terms of the applicable client engagements, the Company agrees to provide Newco with notice of such engagement, if such engagement involves the performance of services or the provision of products in the Newco Covered Territories other than the United States. Notwithstanding anything to the contrary in this Section 1.45, the Company agrees that no proactive marketing of products and services by the Company or its Subsidiaries in any foreign country shall be permitted during the Restricted Period except in connection with (u) the provision of services and products, as contemplated by Section 4.09(f), (v) the provision or sale of Company Services, whether as a prime contractor or a subcontractor, or any related products to any U.S. Government Body, (w) the provision or sale of any consulting services, either management or technical, whether as a prime contractor or a subcontractor, or any related products to any Buyer Entity, (x) Foreign Government Projects, (y) International Defense Projects or (z) World Bank Engagements.

1.46 "Confidential Information" has the meaning set forth in Section 4.06.

1.47 "Contribution" has the meaning set forth in Section 2.02(a).

1.48 "Copyrights" has the meaning set forth in Section 1.88.

1.49 "Core Company Services" has the meaning set forth in Section 4.09(a).

1.50 "Cybersecurity Services" means the provision or sale of services or products, whether as a prime contractor or a subcontractor, to entities that are not U.S. Government Bodies for the protection, defense and safeguarding of information systems, computers, networks of information technology infrastructures (including, but not limited to, the Internet), and the information and data contained therein, including, but not limited to, services or products related to disaster recovery and information systems resilience, cryptography, public key management, biometrics, wireless security, web-based security, penetration testing and Common Criteria Testing and Evaluation.

1.51 “DDTC” has the meaning set forth in Section 4.11(a).

1.52 “Directly Assigned Other Business Assets” has the meaning set forth in Section 2.02(a).

1.53 “Directly Assumed Liabilities” has the meaning set forth in Section 2.02(a).

1.54 “Dual Consolidated Loss” means any dual consolidated loss existing as of the Closing Date of the Company or its Subsidiaries within the meaning of Section 1503 of the Code and the Treasury Regulations promulgated thereunder.

1.55 “Employee Matters Agreement” has the meaning set forth in Section 4.07(b).

1.56 “Encumbrances” means all liens, encumbrances, security interests, pledges, mortgages, deeds of trusts, charges, options, restrictions on transfer of title or voting, rights-of-way, easements, rights to occupy of any kind, rights of first refusal or offer, encroachments, building or use restrictions, conditional sales agreements, licenses or any adverse claims of any nature whatsoever.

1.57 “Equipment” means all equipment, fixtures, physical facilities, machinery, furniture, computers, inventory, spare parts, supplies, tools and other tangible personal property.

1.58 “Equity Interest” means, with respect to any Person, any and all shares, interests, participations, rights in, or other equivalents (however designated and whether voting or non-voting) of such Person’s capital stock or other equity interests (including partnership or membership interests in a partnership or limited liability company or any other interest or participation that confers on a Person the right to receive a share of the profits and losses, or distributions of assets, of the issuing Person), whether outstanding on the date hereof or issued after the date hereof.

1.59 “Estimated NAV Transfer Amount” has the meaning set forth in Section 2.03(b).

1.60 “Exchange Act” has the meaning set forth in Section 1.22.

1.61 “Excluded Assets” means the following assets, properties, rights and interests as of the Closing of the Company and the entities that were its Subsidiaries immediately prior to the Spin Off, wherever situated:

(a) all Books and Records primarily used or held for use in the U.S. Government Business, and copies of all Other Books and Records;

(b) those purchase orders, contracts, agreements and other obligations (i) primarily used or held for use in the U.S. Government Business as of the Closing (other than as set forth on Schedule 1.10(b)), (ii) set forth on Schedule 1.61(b) or (iii) with

respect to those Pre-Closing Company Projects and Pre-Closing Company Project Extensions contemplated by Section 4.09(b);

(c) all Equipment primarily used or held for use in the U.S. Government Business, which, for the avoidance of doubt, shall include any Equipment primarily used or held for use in the U.S. Government Business prior to the Closing in any facilities to be leased or licensed from Newco or any Other Subsidiaries to the Company or any U.S. Government Subsidiaries following the Closing;

(d) all Company Intellectual Property, including without limitation, the Patents, Copyrights and Trademarks set forth on Schedule 1.61(d);

(e) an undivided one-half ownership interest in the Shared Firm Intellectual Property;

(f) goodwill primarily generated by or primarily associated with the U.S. Government Business, but not otherwise specifically identified herein;

(g) all Real Property primarily used or held for use in the U.S. Government Business, as specified on Schedule 1.142;

(h) all Inventory primarily used or held for use in the U.S. Government Business;

(i) all Permits primarily used or held for use in the U.S. Government Business;

(j) all rights of the Company and the U.S. Government Subsidiaries under this Agreement, the Ancillary Agreements and the Merger Agreement;

(k) all prepaid expenses, deferred charges, advance payments, security deposits and other prepaid items to the extent arising primarily out of the operation of the U.S. Government Business;

(l) all accounts receivable and other rights to payment to the extent arising primarily out of the operation of the U.S. Government Business and all Client-Related Receivables owed by Newco or any Other Subsidiary to the Company or any U.S. Government Subsidiary;

(m) all receivables and other rights to payment of Newco or the Other Subsidiaries owed by the Company or the U.S. Government Subsidiaries (other than Client-Related Receivables), including, without limitation, pursuant to any intercompany debt;

(n) all shares of stock and other Equity Interests in the U.S. Government Subsidiaries;

(o) all assets, including but not limited to funding, trusts, insurance coverage and data and other property in any form or medium maintained under, set aside with respect to, or otherwise relating to the Company Plans maintained for the benefit of current or former Company Employees and the rights of each Company Plan;

(p) except for the Other Business Assets, all assets, properties, rights and interests, wherever situated, (i) of Newco and the Other Subsidiaries primarily used or held for use in the U.S. Government Business as of the Closing and (ii) of the Company and the U.S. Government Subsidiaries;

(q) 30% of the Minority Investments;

(r) except with respect to the Additional Cash Transfer, all cash and cash equivalents on hand in bank accounts, or otherwise located, within the United States;

(s) the assets listed on Schedule 1.61(s); and

(t) all Actions, rights, claims and credits to the extent relating to any of the foregoing or any Excluded Liability, including all rights to indemnification to the extent arising out of the operation of the U.S. Government Businesses.

1.62 "Excluded Liabilities" means the following liabilities and obligations:

(a) all Income Taxes of the Company and its Subsidiaries (other than Income Taxes that are Assumed Liabilities) and all Transactional Taxes;

(b) [Intentionally Omitted];

(c) all liabilities and obligations (including Other Taxes), whether arising before, on or after the Closing Date, of the Company and its Subsidiaries, whether known or unknown, accrued or contingent, direct or indirect, to the extent arising from (x) the U.S. Government Business or the operation thereof, including any client projects of the U.S. Government Business, or (y) the ownership or operation of any of the Excluded Assets;

(d) 30% of any Other Liabilities;

(e) all liabilities and obligations of the Company or the U.S. Government Subsidiaries under the purchase orders, contracts, agreements and other obligations referred to in Section 1.61(b), this Agreement, the Ancillary Agreements or the Merger Agreement;

(f) all liabilities, obligations and commitments (i) expressly retained or agreed to be performed by the Company or any of the U.S. Government Subsidiaries with respect to (x) Company Employees or the U.S. Government Business under Section 4.07 or (y) Company Employees under the Employee Matters Agreement and Newco Employees under Section 4.1 of the Employee Matters Agreement or (ii) arising out of

the employment of, work performed by, or other activities of, the Company Employees, whether arising prior to, on or after the Closing Date;

(g) all Bonus Liabilities;

(h) all liabilities, obligations and commitments arising out of the employment of, work performed by, or other activities of, the individuals set forth on Schedule 1.62(h), whether arising prior to, on or after the Closing Date;

(i) all liabilities for Indebtedness (as defined in the Merger Agreement, but (x) in the case of clauses (iii)-(vi) of such definition, only to the extent related to an Excluded Asset or the U.S. Government Business and (y) in the case of clauses (vii) and (viii) of such definition, subject to Section 4.08 hereof), including, without limitation, the Spin Off Indebtedness;

(j) all liabilities and obligations set forth on Schedule 1.62(j); and

(k) all Transition Restructuring Costs of the Company and the U.S. Government Subsidiaries.

1.63 "Export Controlled Information" has the meaning set forth in Section 4.11(b).

1.64 "Federal Supply Schedule Contracts" means contracts with the U.S. General Services Administration as described in the Federal Acquisition Regulations.

1.65 "Final Allocation" has the meaning set forth in Section 5.07(b).

1.66 "Final Determination" means a determination within the meaning of Section 1313 of the Code or any similar provision of state or local tax law.

1.67 "Final NAV Transfer Amount" has the meaning set forth in Section 2.03(f).

1.68 "Foreign Government Projects" means the provision or sale of consulting services, whether as a prime contractor or a subcontractor, either management or technical, or any related products (1) pursuant to contracts with the U.S. federal government or (2) in connection with projects where the funds were provided by U.S. federal government financing, which, in the case of either clause (1) or (2), benefits foreign Governmental Entities, including but not limited to Foreign Military Financing Projects and Foreign Military Sales Projects.

1.69 "Foreign Military Financing Projects" means the provision or sale of military or defense-related services or products, whether as a prime contractor or a subcontractor, to foreign Governmental Entities pursuant to agreements with such foreign Governmental Entities where the consideration to purchase such services or products comes from funds that were provided by U.S. federal government financing.



1.70 "Foreign Military Sales Projects" means the provision of military or defense-related services or products, whether as a prime contractor or a subcontractor, to foreign Governmental Entities pursuant to agreements with the U.S. federal government.

1.71 "Former CFC" has the meaning set forth in Section 4.12(b).

1.72 "GAAP" means United States generally accepted accounting principles, applied on a consistent basis.

1.73 "Governmental Entity" means any arbitrator, court, judicial, legislative, administrative or regulatory agency, commission, department, board or bureau or body or other governmental authority or instrumentality or any Person or entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, whether foreign, federal, state, provincial, local or other.

1.74 "Government Buy-Back" has the meaning set forth in Section 2.04(b).

1.75 "Government Buy-Back Consideration" has the meaning set forth in Section 2.04(b).

1.76 "Government Buy-Back Price" means a per share amount equal to (x) the Target NAV divided by (y) the aggregate number of shares of Newco Common Stock, Newco Non-Voting Common Stock and shadow stock units in Newco (including the shares held by Newco to be issued to the U.S. Shadow Stock Holders on or about January 2, 2009 in accordance with Section 2.04(d)) outstanding immediately prior to the Government Buy-Back.

1.77 "Government Shareholder" has the meaning set forth in Section 2.04(b).

1.78 "Government Shareholder Representative" has the meaning set forth in Section 2.03(i).

1.79 "GSA Cap" means \$40,000,000.

1.80 "GSA Compliant" means having labor rates and content sufficient to (a) support the capabilities of the Company and reasonableness of the prices offered by the Company under, and (b) maintain and compete for, in each case, Federal Supply Schedule Contracts at labor rates consistent with past practices as adjusted for annual and other increases.

1.81 "GSA Required Engagements" means the provision of services or products, whether as a prime contractor or a subcontractor, to Approved Commercial Entities or Co-Marketing Customers in such amounts, which, when taken together with the revenues generated in the United States from (i) any GSA Compliant services and products provided to the non-governmental and not-for-profit organizations set forth on Schedules 1.45 and 4.09(b), (ii) any GSA Compliant services or products provided in the United States to non-U.S. Government Bodies for which Newco or one of its Subsidiaries is a prime contractor and the Company is a subcontractor to Newco or one of its Subsidiaries (or a similar contractual relationship exists), (iii) any GSA Compliant services or products provided in the United States to non-U.S. Government Bodies for which the Company or one of its Subsidiaries is a prime

contractor and Newco is a subcontractor to the Company or one of its Subsidiaries (or a similar contractual relationship exists) and (iv) any GSA Compliant services or products provided in the United States pursuant to Pre-Closing Company Projects, Pre-Closing Company Project Extensions and Pre-Closing Newco Project Extensions, but (x) in each case, only to the extent of the revenues that inure to the Company or its Subsidiaries (e.g., net of payments to sub-contractors or other third parties), and (y) for the avoidance of doubt, not including revenues generated from (A) Cybersecurity Services, (B) services and products provided to any Buyer Entities, (C) non-GSA Compliant services and products provided to the non-governmental and not-for-profit organizations set forth on Schedule 1.45 or 4.09(b), Approved Commercial Entities or Co-Marketing Customers, (D) International Defense Projects, (E) World Bank Engagements and (F) products and services provided by Commercial Acquired Companies, shall not exceed either (1) an amount equal to three (3) times the GSA Cap during the Restricted Period or (2) an amount equal to the GSA Cap plus \$10,000,000 during each year (measured from the Closing Date) in the Restricted Period; provided, however, that (X) if the General Services Administration or any other relevant U.S. Government Body advises the Company that the Company and its Subsidiaries must have more than \$40,000,000 per annum of revenues from non-U.S. Government Bodies to (a) support the capabilities of the Company and reasonableness of the prices offered by the Company under or (b) maintain and compete for, in each case, Federal Supply Schedule Contracts at labor rates consistent with past practices as adjusted for annual and other increases, then the GSA Cap shall be increased to 110% of the amount required by such U.S. Government Body (as set forth in a written notice, if any, from the General Services Administration or other relevant U.S. Government Body or a written certification from an officer of the Company to Newco if such written notice is not available) and (Y) the Steering Committee by vote of a majority of its members may increase the GSA Cap, in its discretion.

1.82 "Income Taxes" means any net income, net profits or similar Taxes measured by or based on net income.

1.83 "Indemnified Party" has the meaning set forth in Section 6.04(a).

1.84 "Indemnifying Party" has the meaning set forth in Section 6.04(a).

1.85 "Initial Newco Board Members" means those Commercial Partners set forth on Schedule 1.85.

1.86 "Initial Newco CEO" means the chief executive officer of Newco at the time of the Spin Off as appointed by the Newco Board in accordance with Section 2.01(b).

1.87 "Initial Newco Officers" means the Initial Newco CEO and those other officers appointed to serve as officers of Newco at the time of Spin Off by the Newco Board in accordance with Section 2.01(b).

1.88 "Intellectual Property" means (i) all trademarks, service marks, certification marks, trade dress, Internet domain names, trade names, identifying symbols, designs, product names, company names, slogans, logos or insignia, whether registered or unregistered, and all common law rights, applications and registrations therefor and all extensions and renewals thereof, and all goodwill of the business connected with the use of and

symbolized by the foregoing ("Trademarks"); (ii) all copyrights and copyrightable subject matter, whether registered or unregistered, software, mask works, industrial designs, protected designs, and other rights of authorship, and all applications and registrations thereof and all extensions and renewals thereof ("Copyrights"); (iii) all patents, patent applications, patent disclosures, invention disclosures and other rights of invention worldwide (and all rights related thereto, including all reissues, reexaminations, divisions, continuations, continuations-in-part, extensions or renewals of any of the foregoing) ("Patents"); (iv) all technical information, know-how, inventions, discoveries, improvements, processes, techniques, devices, methods, patterns, formulae, specifications, trade secrets and lists of suppliers, vendors, customers, distributors and business partners; and all data; (v) all proprietary or confidential information; and (vi) any other similar proprietary, intellectual property and other rights anywhere in the world.

1.89 "Intellectual Property Agreement" means the agreement, in the form attached hereto as Exhibit E, between Newco and the Company, to be executed as of the Closing Date, licensing to the Company certain Newco Intellectual Property (other than Trademarks and Patents) and licensing to Newco certain Company Intellectual Property (other than Trademarks and Patents).

1.90 "Interim Newco Board Members" means those members of the Newco Board as of the date hereof and/or prior to the appointment of the Initial Newco Board Members to the Newco Board.

1.91 "International Defense Projects" means engagements with international defense or security organizations in which the United States is a member, whether as a prime contractor or a subcontractor, including, for example, the North Atlantic Treaty Organization, the North American Air Defense Command and the Australia, New Zealand, United States Security Treaty organization.

1.92 "Inventory" means, wherever situated, all maintenance supplies, spare parts, raw materials, finished products, goods-in-process, and office, packaging and other supplies as of the Closing, and including without limitation all such items located on the Real Property.

1.93 "Losses" means any and all liabilities and obligations, losses, damages, judgments, settlements, awards, costs and expenses (including reasonable expenses of investigation, enforcement, and collection and reasonable fees and expenses of counsel, consultants, experts and other professional fees) whether or not involving a Third Party Action, including diminution in value of a business; provided that Losses shall not include (i) any punitive or exemplary damages, other than any such damages awarded against the applicable Indemnified Party to any Third Party in a proceeding subject to a Third Party Action or (ii) any diminution in the value of a business to the extent resulting from the delay of the Closing.

1.94 "Merger" has the meaning set forth in the Recitals.

1.95 "Merger Agreement" has the meaning set forth in the Recitals.

1.96 "Merger Sub" has the meaning set forth in the Recitals.

1.97 “Minority Investments” means the Equity Interests held by the Company or any of its Subsidiaries in any Person that is not a direct or indirect subsidiary of the Company.

1.98 “NAV Transfer Amount” means an amount, which may be a positive or negative number, equal to Target NAV less Closing Date NAV.

1.99 “New Domestic Use Agreement” means an agreement that meets all the requirements described in Treasury Regulation Section 1.1503(d)-6(f)(2)(iii).

1.100 “Newco” has the meaning set forth in the preamble.

1.101 “Newco 2” has the meaning set forth in the preamble.

1.102 “Newco 3” has the meaning set forth in the preamble.

1.103 “Newco Board” means the Board of Directors of Newco.

1.104 “Newco Bonus Liabilities” means all liabilities (including fringe benefits and Taxes) at the Closing with respect to the payment of bonuses to the Commercial Partners and individuals that following Closing will be Newco Employees, in each case, solely in respect of the period from April 1, 2008 through the Closing Date.

1.105 “Newco Common Stock” means the Class A Common Stock, par value \$.01 per share, of Newco, which shall have the powers, designations and preferences, the relative and other special rights and the qualifications, limitations and restrictions thereof that are set forth in the Newco Organizational Documents in effect from time to time.

1.106 “Newco Competitor” means (i) Accenture Ltd., AlixPartners, Aon Corporation, Arthur D. Little, Inc., A.T. Kearney, Inc., Bain & Company, BDO International, Bearing Point, Inc., The Boston Consulting Group, Inc., The Caggemini Group, Celerant Consulting Holdings Limited, Computer Sciences Corporation, CRA International, Inc., Deloitte Consulting LLP, Diamond Management & Technology Consultants, Inc., Ernst & Young LLP, Fujitsu Limited, Grant Thornton LLP, Hewitt Associates, Inc., Huron Consulting Group, Integrated Finance Limited, International Business Machines Corporation, KPMG LLP, L.E.K. Consulting LLP, Management Consulting Group PLC, Marakon Associates, McKinsey & Company, Mercer Delta Consulting, Monitor Group, Navigant Consulting, Inc., NTT Data Corporation, Oliver Wyman Group, PA Consulting Group, PricewaterhouseCoopers LLP, PRTM, Trinsom Group, Roland Berger Strategy Consultants, Towers Perrin and Watson Wyatt Worldwide, Inc., (ii) any Subsidiary of any Person identified in clause (i) of this definition and (iii) the Prohibited Successors of any of the foregoing.

1.107 “Newco Covered Territories” means Abu Dhabi, Albania, Algeria, Andorra, Argentina, Austria, Australia, Azerbaijan, Bahamas, Bahrain, Belarus, Belgium, Bermuda, Bosnia, Brazil, Brunei, Bulgaria, Canada, Cayman Islands, Chile, China, Colombia, Croatia, Czech Republic, Denmark, Dubai, Egypt, Finland, France, Faroe Islands, Germany, Gibraltar, Greece, Herzegovina, Holland, Hong Kong, Hungary, Iceland, India, Indonesia, Ireland, Israel, Italy, Japan, Jordan, Kazakhstan, Kuwait, Latvia, Lebanon, Libya, Liechtenstein, Lithuania, Luxembourg, Macedonia, Malaysia, Mexico, Moldavia, Monaco, Mongolia,

Morocco, New Zealand, Nigeria, Norway, Oman, Pakistan, Peru, Philippines, Portugal, Poland, Qatar, Romania, Russia, San Marino, Saudi Arabia, Singapore, Slovakia, Slovenia, South Africa, South Korea, Spain, Sri Lanka, Switzerland, Sweden, Syria, Taiwan, Thailand, Tunisia, Turkey, United Arab Emirates, United Kingdom, United States, Ukraine, Vatican City, Venezuela and Vietnam.

1.108 “Newco Employees” has the meaning set forth in Article IX of the Employee Matters Agreement.

1.109 “Newco Indemnified Parties” means Newco, the Other Subsidiaries and each of their respective Affiliates and each of the respective officers, directors, employees, agents, advisers and representatives of any of the foregoing and each of the heirs, executors, successors and assigns of any of the foregoing.

1.110 “Newco Intellectual Property” means the Intellectual Property owned by the Company or any of its Subsidiaries and primarily used or held for use in the Other Businesses as of the Closing Date (other than the Licensed Marks (as defined in the Branding Agreement)), together with (i) all rights to use such Intellectual Property and all other rights in, to, and under such Intellectual Property, (ii) all drawings, records, books, electronic or tangible embodiments or other indicia, however evidenced, of such Intellectual Property, (iii) the right to sue or otherwise recover for past, present and future infringement, misappropriation, dilution or other violation or impairment of such Intellectual Property, and (iv) all proceeds of such Intellectual Property, including license fees, royalties, income, payments, claims, damages, and proceeds of suit now or hereafter due and/or payable.

1.111 “Newco LLC” has the meaning set forth in the preamble.

1.112 “Newco Non-Voting Common Stock” means the Class B Non-Voting Common Stock, par value \$.01 per share, of Newco, which shall have the powers, designations and preferences, the relative and other special rights and the qualifications, limitations and restrictions thereof that are set forth in the Newco Organizational Documents in effect from time to time.

1.113 “Newco Organizational Documents” means the Certificate of Incorporation of Newco and the By-Laws of Newco, in each case as in effect from time to time.

1.114 “Newco Services” has the meaning set forth in Section 4.09(b).

1.115 “Newco Statement” has the meaning set forth in Section 2.03(c).

1.116 “Notice of Dispute” has the meaning set forth in Section 2.03(d).

1.117 “Original Elector Statement” means a statement that meets all the requirements described in Treasury Regulation Section 1.1503(d)-6(f)(2)(iii)(B).

1.118 “Other Books and Records” means all Books and Records that are not primarily used or held for use in either the U.S. Government Business or the Other Businesses.

1.119 "Other Business Assets" means the following assets, properties, rights and interests as of the Closing of the Company and the entities that were its Subsidiaries immediately prior to the Spin Off, wherever situated:

- (a) all Books and Records primarily used or held for use in the Other Businesses, and copies of all Other Books and Records;
- (b) the Assumed Contracts;
- (c) all Equipment primarily used or held for use in the Other Businesses or as set forth on Schedule 1.119(c), which, for the avoidance of doubt, shall include any Equipment primarily used or held for use in the Other Businesses prior to the Closing in any facilities to be leased or licensed from the Company or any U.S. Government Subsidiaries to Newco or any Other Subsidiaries following the Closing;
- (d) all Newco Intellectual Property, including without limitation, the Patents, Copyrights and Trademarks set forth on Schedule 1.119(d);
- (e) an undivided one-half ownership interest in the Shared Firm Intellectual Property;
- (f) goodwill primarily generated by or primarily associated with the Other Businesses, but not otherwise specifically identified herein;
- (g) all Real Property primarily used or held for use in the Other Businesses, as specified on Schedule 1.142;
- (h) all Inventory primarily used or held for use in the Other Businesses;
- (i) all Permits primarily used or held for use in the Other Businesses;
- (j) all rights of Newco and the Other Subsidiaries under this Agreement, the Ancillary Agreements and the Merger Agreement;
- (k) all prepaid expenses, deferred charges, advance payments, security deposits and other prepaid items to the extent arising primarily out of the operation of the Other Businesses;
- (l) all accounts receivable and other rights to payment to the extent arising primarily out of the operation of the Other Businesses and all Client-Related Receivables owed by the Company or any U.S. Government Subsidiary to Newco or any Other Subsidiary;
- (m) all receivables and other rights to payment of the Company or the U.S. Government Subsidiaries owed by Newco or the Other Subsidiaries (other than Client-Related Receivables), including, without limitation, pursuant to any intercompany debt, provided that, for the avoidance of doubt, the Other Business Assets shall include the Company's right to payment pursuant to the recharge agreements (as amended) between

the Company and (i) Booz Allen Hamilton GmbH (Germany), (ii) Booz Allen Hamilton AS (Norway), (iii) Booz Allen Hamilton AB (Sweden), (iv) Booz Allen Hamilton ApS (Denmark), (v) Booz Allen Hamilton (Austria) GmbH, (vi) Booz Allen Hamilton AG (Switzerland) and (vii) any other Other Subsidiary that enters into a substantially similar agreement with the Company;

(n) all shares of stock and other Equity Interests in the Other Subsidiaries;

(o) except for the Excluded Assets, all assets, properties, rights and interests, wherever situated, (i) of the Company and the U.S. Government Subsidiaries primarily used or held for use in the Other Businesses as of the Closing and (ii) of Newco and the Other Subsidiaries;

(p) 70% of the Minority Investments;

(q) the assets listed on Schedule 1.119(q);

(r) the Additional Cash Transfer and all cash and cash equivalents on hand in bank accounts, or otherwise located, outside of the United States;

(s) all assets, including but not limited to funding, trusts, insurance coverage and data and other property in any form or medium maintained under, set aside with respect to, or otherwise relating to the Assumed Plans maintained for the benefit of current or former Newco Employees and the rights of each Assumed Plan; and

(t) all Actions, rights, claims and credits to the extent relating to any of the foregoing or any Assumed Liability, including all rights to indemnification to the extent arising out of the operation of the Other Businesses.

1.120 "Other Businesses" has the meaning set forth in the Recitals.

1.121 "Other Business Guarantees" has the meaning set forth in Section 4.08.

1.122 "Other Liabilities" means all liabilities and obligations of the Company and its Subsidiaries arising out of events prior to the Closing, whether known or unknown, accrued or contingent, direct or indirect, that would not be an Assumed Liability or Excluded Liability but for the application of this definition.

1.123 "Other Subsidiaries" has the meaning set forth in the Recitals.

1.124 "Other Taxes" means all Taxes that are not Income Taxes.

1.125 "Party(ies)" has the meaning set forth in the preamble.

1.126 "Patents" has the meaning set forth in Section 1.88.

1.127 "Permits" means all licenses, permits, approvals, variances, waivers or consents, to the extent transferable, issued by any Governmental Entity.

1.128 “Permitted Encumbrances” means (a) Encumbrances for current Taxes not yet due and payable or that are being contested in good faith in appropriate proceedings (if then available) and for which adequate accruals or reserves have been established in accordance with GAAP, (b) mechanics’, carriers’, workers’, repairers’, materialmen’s, warehousemen’s and other similar Encumbrances arising or incurred in the ordinary course of business, (c) Encumbrances securing rental payments under capital lease agreements, (d) Encumbrances and restrictions on real property (including easements, covenants, rights of way and similar restrictions of record) that (i) are matters of record or (ii) do not materially interfere with the present uses of such real property, (e) Encumbrances arising in the ordinary course of business and not incurred in connection with the borrowing of money which do not materially interfere with the current use of the assets, properties or rights affected thereby, and (f) Encumbrances identified in Schedule 1.128; provided, however, that no Encumbrances on Equity Interests shall be Permitted Encumbrances.

1.129 “Person” means any individual, corporation, partnership, association, trust, limited liability company, or other entity or organization, including a Governmental Entity.

1.130 “Post-Closing Partial Period” has the meaning set forth in Section 5.03.

1.131 “Pre-Closing Company Client” has the meaning set forth in Section 4.09(b).

1.132 “Pre-Closing Company Project” has the meaning set forth in Section 4.09(b).

1.133 “Pre-Closing Company Project Extension” has the meaning set forth in Section 4.09(b).

1.134 “Pre-Closing Newco Client” has the meaning set forth in Section 4.09(a).

1.135 “Pre-Closing Newco Project” has the meaning set forth in Section 4.09(a).

1.136 “Pre-Closing Newco Project Extension” has the meaning set forth in Section 4.09(a).

1.137 “Pre-Closing Partial Period” has the meaning set forth in Section 5.03.

1.138 “Pre-Spin Off Group” means the Company and each corporation that joined with the Company in filing a consolidated, combined or unitary income Tax Return for any tax period ending on or before the Closing Date. For purposes of this Agreement, the Pre-Spin Off Group shall terminate at the close of business on the Closing Date.

1.139 “Prohibited Successor” means in the event of a Change of Control of a Person, that part of the business of the acquiring Person or combined Person (whether established as a separate legal Person (in which case, a Prohibited Successor shall include any Persons that were Subsidiaries of the Person subject to the Change of Control prior to such Change of Control), business division or other operational unit) that conducts the business of the acquired Person, but not any other part of the acquiring Person or combined Person.



- 1.140 “Proposed Allocation” has the meaning set forth in Section 5.07(b).
- 1.141 “Purchase Price” has the meaning set forth in Section 2.03(a).
- 1.142 “Real Property” means all right, title and interest in or to the improved and unimproved land and other real estate (including leases) listed or described in Schedule 1.142, and all buildings, structures, erections, improvements, appurtenances, and fixtures situated on or forming part of such land.
- 1.143 “Repurchased Shares” has the meaning set forth in Section 2.04(b).
- 1.144 “Restricted Period” has the meaning set forth in Section 4.06.
- 1.145 “Required Permits” has the meaning set forth in Section 2.07(b).
- 1.146 “Restructuring Fund” has the meaning set forth in Section 2.03(b).
- 1.147 “Restructuring Liabilities” means all unpaid costs and expenses (including Other Taxes and severance but excluding Income Taxes) of the Company or its Subsidiaries related to or arising out of the Commercial Restructuring.
- 1.148 “Sale” has the meaning set forth in Section 2.03(a).
- 1.149 “Section 338 Election” has the meaning set forth in Section 5.07(a).
- 1.150 “Series A Non-Voting Preferred Stock” means the Series A Non-Voting Preferred Stock, par value \$.01 per share, of Newco, which shall have the powers, designations and preferences, the relative and other special rights and the qualifications, limitations and restrictions thereof that are set forth in the Certificate of Designations, Preferences and Rights of Series A Non-Voting Preferred Stock of Newco attached hereto as Exhibit F, as the same may be amended from time to time in accordance with its terms.
- 1.151 “Shadow Stock Unit” has the meaning set forth in the Merger Agreement.
- 1.152 “Shared Firm Intellectual Property” means the Intellectual Property owned by the Company and its Subsidiaries and used or held for use in the U.S. Government Business and in the Other Businesses as of the Closing Date that is not the Company Intellectual Property or the Newco Intellectual Property, including without limitation, the software and other Copyrights set forth on Schedule 1.152.
- 1.153 “Shared Post-Closing Costs” has the meaning set forth in Section 2.03(i).
- 1.154 “Spin Off” has the meaning set forth in the Recitals.
- 1.155 “Spin-Off Agreement Escrow Account” has the meaning set forth in the Merger Agreement.
- 1.156 “Spin Off Indebtedness” has the meaning set forth in Section 2.03(b).

1.157 “SPV” has the meaning set forth in Section 2.05(c).

1.158 “Steering Committee” has the meaning set forth in Section 4.10(a).

1.159 “Subsidiary” means, with respect to any Person, any corporation, limited liability company, partnership or other entity (including a joint venture) of which such Person, directly or indirectly, (a) has the right or ability to elect, designate or appoint a majority of the board of directors or other Persons performing similar functions for such entity, whether as a result of the beneficial ownership (within the meaning of the Exchange Act) of Equity Interests, contractual rights or otherwise, or (b) beneficially owns (within the meaning of the Exchange Act) a majority of the voting Equity Interests (including general partner Equity Interests).

1.160 “Supplemental Retirement Liabilities” means all liabilities, obligations and commitments with respect to the Supplemental Retirement Plans.

1.161 “Supplemental Retirement Plans” means the Booz Allen Hamilton Inc. Supplemental Retirement Plan, the Deferred Compensation Retirement Income Fiscal 1984 Program, and the Supplemental Capital Accumulation Program.

1.162 “Target NAV” means \$95,000,000.

1.163 “Tax” or “Taxes” means all federal, state, provincial, local and other taxes, fees, levies, duties and other similar assessments and charges (including, without limitation, income, sales, use, excise, stamp, transfer, property, value added, recording, registration, intangible, documentary, goods and services, real estate, sales, payroll, gains, gross receipts, withholding and franchise taxes) together with any interest, penalties, or additions payable in connection with such taxes, fees, levies, duties or other similar assessments and charges and shall include liability for taxes of another Person pursuant to Treasury Regulation Section 1.1502-6 (or any similar provision of state, local or foreign tax law), by contract or otherwise.

1.164 “Tax Returns” means, with respect to any corporation or affiliated group, all returns, reports, estimates, information statements, declarations and other filing related to, or required to be filed in connection with, the payment or refund of any Tax.

1.165 “Third Party Action” has the meaning set forth in Section 6.04(a).

1.166 “Trademark License Agreements” means the agreements, in the forms attached hereto as Exhibit G, between Newco and the Company, to be executed as of the Closing Date, licensing certain Trademarks to Newco and the Company, as applicable.

1.167 “Trademarks” has the meaning set forth in Section 1.88.

1.168 “Transactional Taxes” means all Taxes (other than Income Taxes or Taxes that are Restructuring Liabilities) triggered by or resulting from the Contribution, the Sale, the Spin Off or the Merger.

1.169 “Transition Restructuring Costs” means costs and expenses (other than Income Taxes) reasonably incurred in connection with the planning and/or execution of the separation of Newco from the Company pursuant to the transition of (a) services to be provided to Newco under the relevant Transition Services Agreement by the Company to the provision of such services by Newco or a third-party service provider and (b) services to be provided to the Company under the relevant Transition Services Agreement by Newco to the provision of such services by the Company or a third-party service provider, including any internal restructuring of the Company and the U.S. Government Subsidiaries, on the one hand, or Newco and the Other Subsidiaries, on the other hand, the establishment of the Newco Plans (as such term is defined in the Employee Matters Agreement), as contemplated by the Employee Matters Agreement and the applicable Transition Services Agreement, termination of personnel, revision to or termination of third-party agreements, segregation and migration of historical data, transfer of records, changes to systems and networks including changes relating to the separate IT environment, cooperation with and assistance to third-party consultants, post-transition elimination of or modification to changes implemented to facilitate the provision of services under the Transition Services Agreements and costs and expenses incurred in connection with establishing the SPV in accordance with Section 2.05(c), in each case, whether incurred prior to, on or following the Closing.

1.170 “Transition Services Agreements” means the agreements, in the forms attached hereto as Exhibit H, between Newco and the Company, to be executed as of the Closing Date, dealing with the short-term provisions of certain services from Newco to the Company and the Company to Newco, as applicable.

1.171 “United States” means the United States, its possessions and territories.

1.172 “U.S. Corporate Other Subsidiaries” has the meaning set forth in Section 5.07(a).

1.173 “U.S. Government Body” means any U.S. federal, state or local government, or any subdivision thereof, including all Governmental Entities of the United States and corporations or other entities established by act of Congress or executive order or similar actions by U.S. state or local governments and funded by any U.S. federal, state or local government or specifically funded by a line item in any U.S. federal, state or local budget, including, but not limited to, the corporations and other entities set forth on Schedule 1.173.

1.174 “U.S. Government Business” means the businesses, activities and operations of the Company and its Subsidiaries on or prior to the Closing Date to the extent such businesses, activities and operations constitute Company Services or Company Excepted Services.

1.175 “U.S. Government Subsidiaries” has the meaning set forth in the Recitals.

1.176 “U.S. Shadow Stock Holder” has the meaning set forth in Section 2.04(d).

1.177 “Warrant” has the meaning set forth in Section 2.04(b).

1.178 “World Bank Engagements” means the provision or sale directly to the World Bank of consulting services, either management or technical, whether as a prime contractor or a subcontractor, or any related products, performed or delivered anywhere in the world, under contracts with the World Bank. World Bank Engagements shall not include World Bank Funded Engagements.

1.179 “World Bank Funded Engagements” means the provision or sale of consulting services, either management or technical, or any related products to projects funded by the World Bank but not contracted with the World Bank.

ARTICLE II.

PRE-SPIN OFF MATTERS; TRANSFER AND CONTRIBUTION OF OTHER BUSINESS  
ASSETS; ASSUMPTION OF ASSUMED LIABILITIES; SALE OF NEWCO LLC AND BAH  
SWEDEN

2.01 Pre-Spin Off Matters.

(a) The Company shall cause the Interim Newco Board Members to resign from the Newco Board and shall appoint the Initial Newco Board Members to the Newco Board prior to the Spin Off. The Company and Newco, as applicable, shall prior to the Sale amend the Certificate of Incorporation of Newco so that it is as set forth on Exhibit I and the By-Laws of Newco so that they are as set forth on Exhibit J and file with the Secretary of State of the State of Delaware the Certificate of Designations, Preferences and Rights of Series A Non-Voting Preferred Stock of Newco attached hereto as Exhibit F.

(b) The Initial Newco CEO shall be Shumeet Banerji and he shall, together with the Initial Newco Board Members, be responsible for selecting the other Initial Newco Officers. The Initial Newco CEO and other Initial Newco Officers shall be appointed as such by the Newco Board prior to the Spin Off.

(c) The Company shall take all actions necessary to implement the actions set forth on Exhibit D and shall reasonably cooperate with the Initial Newco Board Members to implement the Commercial Restructuring, including, without limitation, by amending the Newco Organizational Documents, recapitalizing and/or otherwise restructuring the Other Subsidiaries (including by way of forming new Subsidiaries (which shall be deemed for all purposes hereunder as Other Subsidiaries), making entity tax classification elections or other tax elections, reorganizing the Other Subsidiaries in different jurisdictions or as different forms of legal entities, incurring intercompany or third-party debt or transferring Other Business Assets held by and Assumed Liabilities of the Company or Other Subsidiaries to Newco LLC or different Other Subsidiaries).

2.02 Contribution.

(a) On or before the Closing Date, but prior to the Sale, (i) the Company shall convey, assign, transfer and deliver, and shall cause the U.S. Government Subsidiaries to convey, assign, transfer and deliver, to Newco LLC, and Newco LLC shall acquire and accept, all of the Company's and the U.S. Government Subsidiaries' right, title and interest in and to the

Other Business Assets other than (x) the Equity Interests in Newco, Newco 2, Newco 3, Newco LLC, BAH Sweden and BASP and (y) to the extent such Other Business Assets are already held by Newco or the Other Subsidiaries (the "Directly Assigned Other Business Assets") and (ii) Newco LLC shall assume the Assumed Liabilities other than to the extent such Assumed Liabilities are already liabilities or obligations of Newco or the Other Subsidiaries (the "Directly Assumed Liabilities"). The actions taken pursuant to the previous sentence of this Section 2.02(a) are referred to herein as the "Contribution." To the extent any Excluded Assets are held by Newco or any Other Subsidiaries or any Excluded Liabilities are liabilities or obligations of Newco or any Other Subsidiaries, contemporaneously with the Contribution, Newco shall convey, assign, transfer and deliver, and shall cause the Other Subsidiaries to convey, assign, transfer and deliver, to the Company or a U.S. Government Subsidiary, and the Company or a U.S. Government Subsidiary shall acquire and accept, all of Newco's and the Other Subsidiaries' right, title and interest in and to such Excluded Assets and the Company shall assume such Excluded Liabilities.

(b) In connection with the Contribution, the Company shall duly execute and deliver or cause the U.S. Government Subsidiaries to execute and deliver (as applicable) to Newco LLC the following:

- (i) an instrument of assignment for the Directly Assigned Other Business Assets that shall not be transferred pursuant to specific documents described elsewhere in this Section 2.02(b);
- (ii) instruments of assignment with respect to Trademark, Patent and Copyright registrations, issuances and applications with respect to Trademarks, Patents and Copyrights included in the Directly Assigned Other Business Assets for recording with the U.S. Patent and Trademark Office and the U.S. Copyright Office and to permit Newco to obtain documentation for recording in similar foreign intellectual property offices;
- (iii) such other documents as are, in the reasonable opinion of counsel for the Company and Newco, necessary or desirable to transfer the Directly Assigned Other Business Assets to Newco LLC, including, but not limited to, any mutually agreed-upon assignments, subleases or similar shared facility agreements necessary to effect the transfer of certain currently-shared facilities or the continued co-utilization of any shared facilities, as set forth on Schedule 2.02(b)(iii);
- (iv) certificates (where applicable) representing all the Equity Interests in the Other Subsidiaries (other than (x) the Equity Interests in Newco, Newco 2, Newco 3, Newco LLC, BAH Sweden and BASP and (y) to the extent held by Newco LLC or any of the Other Subsidiaries) duly endorsed (or accompanied by a duly executed stock power) and in form for transfer to Newco LLC;
- (v) the stock books, stock ledgers, minute books and corporate seals (or equivalents) of the Other Subsidiaries (other than Newco, Newco 2, Newco 3, BAH Sweden and BASP); provided that any of the foregoing items shall be

deemed to have been delivered pursuant to this Section 2.02(b)(v) if such item has been delivered to or is otherwise located at any of the Other Subsidiaries as of the date of the Contribution or any of their respective offices; and

(vi) such documents as are, in the reasonable opinion of counsel for the Company and Newco, necessary or desirable for the Company to assume the Excluded Liabilities that are not liabilities of the Company or the U.S. Government Subsidiaries;

provided that any instruments executed and delivered pursuant to this Section 2.02(b) shall be in a form reasonably acceptable to the Company and Newco.

(c) In connection with the Contribution, Newco LLC shall execute and deliver or the Company shall cause the Other Subsidiaries to execute and deliver (as applicable) to the Company the following:

(i) certificates (where applicable) representing all the Equity Interests in the U.S. Government Subsidiaries (other than to the extent held by the Company or any of the other U.S. Government Subsidiaries) duly endorsed (or accompanied by a duly executed stock power) and in form for transfer to the Company;

(ii) the stock books, stock ledgers, minute books and corporate seals (or equivalents) of the U.S. Government Subsidiaries; provided, that any of the foregoing items shall be deemed to have been delivered pursuant to this Section 2.02(c)(ii) if such item has been delivered to or is otherwise located at the Company or any of the U.S. Government Subsidiaries as of the date of the Contribution or any of their respective offices; and

(iii) such documents as are, in the reasonable opinion of counsel for the Company and Newco, necessary or desirable for Newco LLC to assume the Directly Assumed Liabilities and for the Company to acquire the Excluded Assets to the extent such Excluded Assets are not held by the Company or any of the U.S. Government Subsidiaries including, but not limited to, any mutually agreed-upon assignments, subleases or similar shared facility agreements necessary to effect the transfer of certain currently-shared facilities or the continued co-utilization of any shared facilities, as set forth on Schedule 2.02(b)(iii);

provided that any instruments executed and delivered pursuant to this Section 2.02(c) shall be in a form reasonably acceptable to the Company and Newco.

2.03 Sale and Assumption of Liabilities; Additional Cash Transfer.

(a) In accordance with the terms and upon the conditions of this Agreement, on the Closing Date, but after the Contribution and prior to the Spin Off and the closing of the Merger, the Company shall sell, convey, assign, transfer and deliver to Newco 3, and Newco 3 shall acquire and accept, all of the Company's right, title and interest in and to all of the Equity Interests in Newco LLC, BAH Sweden and BASP (the "Sale"). The purchase price for the Sale

shall be 2,774,798 shares of Newco Common Stock, 2,774,798 shares of Newco Non-Voting Common Stock, and 1,000 shares of Series A Non-Voting Preferred Stock to be transferred to the Company by Newco 3 (the "Purchase Price"). Immediately following the Sale, the Company shall transfer all of the Series A Non-Voting Preferred Stock to a third party service provider (designated by the Company at least five (5) Business Days before the Closing and reasonably satisfactory to Buyer Parent) in consideration for services performed for the Company and on terms reasonably satisfactory to Buyer Parent.

(b) Simultaneously with the Sale, the Company shall transfer cash to Newco 3 in an amount (the "Additional Cash Transfer") equal to the sum of (i) the Estimated NAV Transfer Amount, and (ii) \$10,000,000 (clause (ii) being referred to as the "Restructuring Fund"). The Company shall, to the extent necessary, borrow money or otherwise incur Indebtedness under the Existing Credit Facilities other than the DCRIP Facility (in each case, as defined in the Merger Agreement) which shall be considered Closing Date Indebtedness (each as defined in the Merger Agreement) prior to the consummation of the Sale in order to make the Additional Cash Transfer (such amounts being "Spin Off Indebtedness"). Not less than ten (10) Business Days prior to the Closing, Newco, on the one hand, and the Company, on the other hand, shall jointly prepare a certificate that sets forth their good faith estimate (together with reasonably detailed back-up data to support such estimate) of the NAV Transfer Amount (the "Estimated NAV Transfer Amount").

(c) Within 90 calendar days following the Closing, Newco shall prepare and deliver to the Company a statement (the "Newco Statement") setting forth Newco's calculation of the NAV Transfer Amount. During such 90-day period, the Company shall provide Newco reasonable access to the Company's personnel, auditors, properties and records relevant to the calculation of the NAV Transfer Amount (subject to the execution of customary work paper access letters if requested).

(d) The Company shall have 30 calendar days following receipt of the Newco Statement to deliver to Newco a written notice (a "Notice of Dispute") that the Company disputes Newco's calculation of any of the amounts or any portion of the amounts set forth in the Newco Statement, which Notice of Dispute shall set forth in reasonable detail the basis for each element of such dispute; provided that any such Notice of Dispute must be limited to one or more allegations that the Newco Statement (i) contained mathematical errors, or (ii) was not prepared in accordance with Section 2.03(c). If the Company does not deliver a Notice of Dispute on or before the expiration of such 30-day period (or if the Company notifies Newco in writing that there is no such dispute), the calculations contained in the Newco Statement shall be deemed to be final, binding and conclusive. In the event the Company delivers a Notice of Dispute with respect to only certain of the amounts or certain portions of the amounts set forth in the Newco Statement but not others, then any undisputed amount or portion thereof shall be deemed to be final, binding and conclusive. In the event the Company delivers a Notice of Dispute to Newco, then Newco and the Company shall cooperate in good faith to resolve any such dispute as promptly as possible. During such 30-day period, Newco shall provide the Company reasonable access to Newco's personnel, auditors, properties and records relevant to the calculation of the NAV Transfer Amount (subject to the execution of customary work paper access letters if requested).

(e) In the event that the Company and Newco are unable to resolve all such disagreements on or before the 30th calendar day following the delivery of such Notice of Dispute, the Company and Newco shall retain a nationally recognized independent public accounting firm upon whom the Company and Newco may mutually agree (such accounting firm being referred to as the "Accounting Firm"), to resolve all such disagreements. The Accounting Firm may only resolve disagreements as to matters covered by the Notice of Dispute in accordance with Section 2.03(d). All matters not properly covered by the Notice of Dispute shall be deemed to be final, binding and conclusive. The determination by the Accounting Firm shall be final, binding and conclusive on both Newco and the Company absent manifest error. Each of the Company and Newco shall promptly provide their assertions regarding the NAV Transfer Amount in writing to the Accounting Firm and to each other. The Company and Newco shall each pay the fees and disbursements of their respective internal and independent accountants and other personnel incurred in the initial preparation, review and final determination of the NAV Transfer Amount. All fees and expenses relating to the work, if any, to be performed by the Accounting Firm shall be borne pro rata as between Newco, on the one hand, and the Company, on the other, in proportion to the allocation of the dollar value of the amounts in dispute between Newco and the Company made by the Accounting Firm such that the Party prevailing on the greater dollar value of such disputes pays the lesser proportion of the fees and expenses. The Accounting Firm shall be instructed to render its determination as soon as reasonably possible (which the Parties hereto agree should not be later than 90 calendar days following the day on which the disagreement is referred to the Accounting Firm). The Accounting Firm shall conduct its determination activities in a manner wherein all materials submitted to it are held in confidence and shall not be disclosed to any third parties (other than any designated authorized representative of a Party). The Accounting Firm shall base its determination solely on the written submissions of the Parties and shall not conduct an independent investigation. The Parties agree that judgment may be entered upon the determination of the Accounting Firm in any court having jurisdiction over the Party against which such determination is to be enforced.

(f) For purposes of this Agreement, the "Final NAV Transfer Amount" (which amount may be a positive or negative number) shall mean the NAV Transfer Amount as finally determined in accordance with Sections 2.03(c), 2.03(d) and 2.03(e).

(g) Upon the final determination of the Final NAV Transfer Amount:

(i) if the Final NAV Transfer Amount exceeds the Estimated NAV Transfer Amount, the Company shall deliver the amount of such difference to Newco 3; provided that in no event shall the Company be obliged to pay greater than \$15,000,000; or

(ii) if the Estimated NAV Transfer Amount exceeds the Final NAV Transfer Amount, Newco 3 shall deliver the amount of such difference to the Company.

(h) All payments under Section 2.03(g) shall be made, together with interest on such amount from the Closing Date to the date of payment at a per annum rate equal to the JPMorgan Chase prime rate (determined as of the Closing Date), within two (2) Business Days



of final determination of the Final NAV Transfer Amount by wire transfer of immediately available funds to an account specified in writing by the receiving Party.

(i) Newco shall use the Restructuring Fund to pay any Restructuring Liabilities or Transition Restructuring Costs of Newco (as well as any costs to third party publishers pursuant to Section 2.1(c)(i) of the Branding Agreement) that are not included in the Closing Date NAV but that are incurred or accrued prior to the first anniversary of the Closing Date ("Shared Post-Closing Costs"). Within ten (10) Business Days after the first anniversary of the Closing Date, Newco shall deliver to a representative of the Government Shareholders designated by the Government Shareholders after the Closing (the "Government Shareholder Representative"), a statement setting forth in reasonable detail such Shared Post-Closing Costs. The Government Shareholder Representative shall have 30 calendar days following receipt of such statement to deliver to Newco a written notice that the Government Shareholder Representative disputes Newco's calculation of any of the Shared Post-Closing Costs, which notice of dispute shall set forth in reasonable detail the basis for each element of such dispute. Any disputes shall be resolved by the Steering Committee in accordance with Section 4.10. If the Government Shareholder Representative does not dispute Newco's statement of the Shared Post-Closing Costs, or if it disputes such statement then after resolution, Newco shall within ten (10) Business Days thereafter distribute 40% of any amounts remaining in the Restructuring Fund (after giving effect to the final determination of the amount of Shared Post-Closing Costs in accordance with the preceding sentences) to the Government Shareholders pro rata based on the number of shares of Newco Common Stock and Newco Non-Voting Common Stock that such Government Shareholders held prior to the Government Buy-Back (without giving effect to any such shares held by any other Persons).

#### 2.04 Spin Off and Government Buy-Back Matters.

(a) At the time of the Spin Off, the Company shall, in reliance upon information available in the stock transfer books of the Company, (i) distribute to the holders of record of the outstanding shares of Common Stock, Class B Common Stock, Class A Non-Voting Common Stock and Class B Non-Voting Common Stock on the record date established by the Board of Directors of the Company for the Spin Off one share of Newco Common Stock and one share of Newco Non-Voting Common Stock for each outstanding share of Common Stock, Class B Common Stock, Class A Non-Voting Common Stock and Class B Non-Voting Common Stock and (ii) distribute to the holders of record of the outstanding Shadow Stock Units on the record date established by the Board of Directors of the Company for the Spin Off for each outstanding Shadow Stock Unit either (x) one share of Newco Common Stock and one share of Newco Non-Voting Common Stock or (y) one unit of an Equity Interest in Newco with substantially the same rights and preferences as a Shadow Stock Unit. Any Equity Interests in Newco held by the Company that are not distributed in accordance with the prior sentence shall be contributed by the Company to Newco at the time of the Spin Off.

(b) Following the distribution of Newco Common Stock and Newco Non-Voting Common Stock pursuant to Section 2.04(a) above and the consummation of the Merger, Newco shall repurchase at the Closing (together with the repurchases made under Section 2.04(c), if any, the "Government Buy-Back") from each shareholder of Newco who is not a Commercial Partner (a "Government Shareholder") and who delivers to Newco a duly executed

repurchase agreement in form and substance reasonably satisfactory to Newco and the Company all of the outstanding shares of Newco Common Stock and Newco Non-Voting Common Stock held by such Government Shareholder (the "Repurchased Shares"), in exchange for (i) cash with respect to each Repurchased Share in the amount of the Government Buy-Back Price to the fullest extent of lawfully available funds, and (ii) the issuance of a warrant substantially in the form of Exhibit K hereto (the "Warrant"), which will permit the holder thereof to purchase a number of shares of Newco Common Stock equal to the number of Repurchased Shares at a per share price equal to the Government Buy-Back Price subject to and in accordance with the terms of such Warrant (clauses (i) and (ii) collectively, the "Government Buy-Back Consideration").

(c) Newco shall, on the 60<sup>th</sup> day after the Closing, repurchase any shares of Newco Common Stock and Newco Non-Voting Common Stock held by a Government Shareholder that were not previously repurchased in accordance with Section 2.04(b) in exchange for the Government Buy-Back Consideration without any further action on the part of any such Government Shareholders.

(d) Notwithstanding any provision herein to the contrary, with respect to any holder of record of the outstanding Shadow Stock Units on the record date established by the Board of Directors of the Company who is "United States person" as defined by Section 7701(a)(30) of the Code and who is set forth on Schedule 2.04(d) (a "U.S. Shadow Stock Holder"), (i) no Equity Interests in Newco with substantially the same rights and preferences as a Shadow Stock Unit shall be distributed to such U.S. Shadow Stock Holders with respect to their outstanding Shadow Stock Units pursuant to this Section 2.04, and (ii) no shares of Newco Common Stock or Newco Non-Voting Common Stock shall be distributed to such U.S. Shadow Stock Holders with respect to their outstanding Shadow Stock Units pursuant to this Section 2.04 prior to January 1, 2009. On or about (but not prior to) January 2, 2009 (and, in any event, during the 2009 calendar year), Newco shall distribute to each U.S. Shadow Stock Holder (x) one share of Newco Common Stock and (y) one share of Newco Non-Voting Common Stock for each outstanding Shadow Stock Unit held by such US Shadow Stock Holder on the record date established by the Board of Directors of the Company for the Spin Off pursuant to this Section 2.04.

#### 2.05 Delivery of Closing Documents.

(a) On the Closing Date, but prior to the Spin Off and the closing of the Merger, the Company shall duly execute and deliver or cause the U.S. Government Subsidiaries to execute and deliver (as applicable) to Newco the following:

(i) certificates (where applicable) representing all the Equity Interests in Newco LLC, BAH Sweden and BASP duly endorsed (or accompanied by a duly executed stock power) and in form for transfer to Newco; and

(ii) the stock books, stock ledgers, minute books and corporate seals (or equivalents) of Newco LLC, BAH Sweden and BASP as of the Closing Date; provided, that any of the foregoing items shall be deemed to have been delivered pursuant to this Section 2.05(a)(ii) if such item has been delivered to or is

otherwise located at any of the Other Subsidiaries as of the Closing Date or any of their respective offices;

provided that any instruments executed and delivered pursuant to this Section 2.05(a) shall be in a form reasonably acceptable to the Company and Newco.

(b) On the Closing Date, but prior to the Spin Off and the closing of the Merger, the Parties concurrently shall, and the Company shall cause the U.S. Government Subsidiaries and the Other Subsidiaries to, duly execute and deliver to each other the Ancillary Agreements to which they are parties.

(c) Prior to the Closing, the Company shall establish a subsidiary as a Delaware limited liability company (the "SPV"), of which the Company shall own all the Class A membership interests and Newco shall own all the Class B membership interests. The Class A membership interests shall represent 100% of the economic interests in the SPV. The Class B membership interests will have no economic rights or interests in the SPV but will have the consent rights set forth in this Section 2.05(c). The organizational documents of the SPV shall contain provisions, reasonably satisfactory to the Company, Newco and Buyer Parent, requiring (i) there to be at all times one (1) independent director of the SPV, (ii) the SPV to maintain its operations separate and distinct from the Company and Newco, and (iii) the affirmative vote of each of its directors and shareholders (including Newco) to (x) conduct any business other than as set forth in the organizational documents of the SPV or (y) seek dissolution or reorganization or the appointment of a receiver, trustee, custodian or liquidator for it or a substantial portion of its property, assets or business or to effect a plan or other arrangement with its creditors, or make a general assignment for the benefit of its creditors, or consent to or acquiesce in the appointment of a receiver, trustee, custodian or liquidator for a substantial portion of its property, assets or business, or file a voluntary petition under any bankruptcy, insolvency or similar law.

(d) Prior to, or at the time of, the Closing, the Company shall assign to the SPV all of its right, title and interest in and to the Licensed Marks (as defined in the Branding Agreement), and the registrations and applications of the Company for Licensed Marks, together with the goodwill of the business connected with the use of and symbolized by each of the foregoing, and together with the right to sue or otherwise recover for past, present and future infringement, dilution or other violation or impairment thereof, and all proceeds, including license fees, royalties, income, payments, claims, damages, and proceeds of suit now or hereafter due and/or payable with respect thereto. Notwithstanding the foregoing, the Company shall not assign to the SPV any "intent-to-use" applications until such time as a statement of use or an amendment to allege use is filed with and accepted by the United States Patent and Trademark Office (or, if applicable, its foreign equivalent). Upon acceptance of a statement of use or an amendment to allege use with respect to any such application, such application shall be assigned to the SPV. Until such time as the "intent-to-use" applications are assigned to the SPV, they shall be licensed by the Company to the SPV, so that the SPV may sublicense them to Newco pursuant to the Branding Agreement.

(e) Prior to the Closing, the Parties agree to revise (or amend) the Branding Agreement, and to the extent necessary, this Agreement and any other Ancillary Agreements such that (i) the SPV shall license the Licensed Marks to Newco in accordance with the terms of

the Branding Agreement, (ii) the Company and Newco shall remain obligated to each other with respect to all applicable terms of the Branding Agreement (including Article III thereof), and (iii) for the avoidance of doubt, and notwithstanding anything to the contrary herein or in any of the Ancillary Agreements, the SPV shall not be considered an "Affiliate" of Newco; provided that, in no event shall the Parties revise (or amend) the Branding Agreement, this Agreement or any other Ancillary Agreement without the prior written consent of Buyer Parent (which shall not be unreasonably withheld, conditioned or delayed).

(f) Five Business Days prior to the Closing, the Company and Newco shall prepare and deliver to each other a schedule setting forth any Pre-Closing Company Projects and any Pre-Closing Newco Projects, respectively, which schedules, in each case, shall be reasonably acceptable to Buyer Parent.

2.06 Interdependence. The transfers and deliveries described in this Article II are mutually interdependent and, except as otherwise set forth herein, are to be regarded as occurring prior to the closing of the Merger. Unless otherwise set forth herein or agreed to in writing by the applicable Parties, no such transfer or delivery shall become effective until all other transfers and deliveries provided for in this Article II have also become effective.

2.07 Non-Assignment.

(a) Notwithstanding anything else in this Agreement to the contrary, this Agreement shall not constitute an agreement to assign, license, sublicense, lease, sublease, convey or transfer any Other Business Asset or Excluded Asset, including any Action, asset, Permit or contract or any claim or right or any benefit arising thereunder or resulting therefrom, as to which consent or approval to assignment, license, sublicense, lease, sublease, conveyance or transfer thereof or amendment thereof (including consents and approvals of Governmental Entities) is required or, in the case of an Assumed Contract or a purchase order, contract, agreement or other obligation referred to in Section 1.61(b), with respect to which a third-party license must be obtained by Newco or an Other Subsidiary or the Company or a U.S. Government Subsidiary, as the case may be, in order to perform such Assumed Contract or purchase order, contract, agreement or other obligation, but has not been obtained unless and until such consent, approval, amendment or license is no longer required or has been obtained. The Company and Newco shall use, and cause each of their Subsidiaries to use, their commercially reasonable efforts to obtain any such consent, approval, amendment or license, including after the Closing Date; provided that any fees or expenses (including reasonable professional fees and expenses) incurred to obtain such consent, approval, amendment or license shall be borne by the Parties in accordance with Section 4.02(f).

(b) In the event and to the extent that the Company or any U.S. Government Subsidiary, on the one hand, or Newco or any Other Subsidiary, on the other hand, is unable to obtain any required consent, approval, amendment or license (1) required to transfer, license, sublicense, lease, sublease, convey or assign (x) any Other Business Asset, (y) any Excluded Asset or (z) any licenses, permits, approvals, variances, tax or other registrations, waivers or consents (whether or not transferable) issued by any Governmental Entity ("Required Permits") that, in the case of Newco, are held by the Company or any U.S. Government Subsidiary but are used for the Other Businesses or, in the case of the Company, are held by Newco or any Other

Subsidiary but are used for the U.S. Government Business, or (2) in the case of an Assumed Contract or a purchase order, contract, agreement or other obligation referred to in Section 1.61(b), required by Newco or an Other Subsidiary or the Company or a U.S. Government Subsidiary, as the case may be, in order to perform such Assumed Contract or purchase order, contract, agreement or other obligation, the Company or Newco, as applicable, shall use commercially reasonable efforts to (i) continue to hold, and to the extent required by the terms applicable to such asset, operate such asset or Required Permit, in the case of real or personal property, and be bound thereby, in the case of contracts, (ii) insofar as reasonably practicable, cooperate in any arrangement, reasonable and lawful as to the Company and Newco, designed to provide to Newco and the Other Subsidiaries, in the case of an Other Business Asset or the Other Businesses, or the Company and the U.S. Government Subsidiaries, in the case of an Excluded Asset or the U.S. Government Business, the benefits arising under such asset or Required Permit, including accepting such reasonable direction as Newco or the Company, as the case may be, shall request, and (iii) enforce at the Company's or Newco's commercially reasonable request, as applicable, or allow the Company and the U.S. Government Subsidiaries or Newco and the Other Subsidiaries, as applicable, to enforce in a commercially reasonable manner, any rights under or with respect to such Excluded Asset or U.S. Government Business or Other Business Asset or Other Businesses, as applicable, against the issuer thereof or the other party or parties thereto (including the right to elect to terminate each of the foregoing in accordance with the terms thereof); provided, however, that the reasonable costs and expenses (including reasonable professional fees and expenses) incurred by the Company or the U.S. Government Subsidiaries, and incurred by Newco or the Other Subsidiaries, in each case, with respect to any of the actions contemplated under this Section 2.07(b), shall be borne by the Parties in accordance with Section 4.02(f). The Company shall, and shall cause its Subsidiaries to, without further consideration therefor, and without right of set-off, pay and remit to Newco promptly all monies, rights and other considerations received in respect of any Other Business Asset or the Other Businesses referred to in this Section 2.07(b). Newco shall, and shall cause its Subsidiaries to, without further consideration therefor, and without right of set-off, pay and remit to the Company promptly all monies, rights and other considerations received in respect of any Excluded Asset or the U.S. Government Business referred to in this Section 2.07(b).

(c) To the extent that either Newco or any of the Other Subsidiaries with respect to any Other Business Asset or the operation of the Other Businesses or the Company or the U.S. Government Subsidiaries with respect to any Excluded Asset or the operation of the U.S. Government Business are, had been or are to be provided the benefits of such assets or business pursuant to Section 2.07(b) above, the entity receiving such benefits shall pay, perform and discharge fully, promptly when due, for the benefit of the issuer thereof, or the other party or parties thereto, the obligations of the other Party or its Subsidiaries thereunder or in connection therewith, or, if agreed to by the Parties, the Parties shall take actions to enable the receiving Party or its Subsidiaries to pay, perform and discharge fully such obligations, but only to the extent that (i) such action by the receiving Party or its Subsidiaries would not result in any default thereunder or in connection therewith, and (ii) such performance pertains to, or is related to, the providing (past, present or future) of benefits to the receiving Party or its Subsidiaries; provided, however, that if the receiving Party or its Subsidiaries shall fail to perform to the extent required herein and such failure continues for ten (10) Business Days following notice thereof, the Party providing benefits shall thereafter cease to be obligated under this Section 2.07 to provide any benefits in respect of the Other Business Assets, the Other Businesses, the Excluded

Assets or the U.S. Government Business which is the subject of such failure to perform unless and until such situation is remedied.

(d) Nothing in this Section 2.07 shall be deemed to constitute an agreement to exclude from the Other Business Assets or the Excluded Assets any Action, asset, contract, Permit or claim or right or any benefit arising thereunder or resulting therefrom.

(e) Notwithstanding anything to the contrary herein, this Section 2.07, Section 4.02 and Section 4.04 shall not apply to any consents or approvals that may be required in connection with the provision of any services under any Ancillary Agreement to the extent any such Ancillary Agreement sets forth the procedures and obligations with respect to obtaining any such consents or approvals.

#### ARTICLE III.

##### REPRESENTATIONS AND WARRANTIES

3.01 Power and Authority of Company. The Company hereby represents and warrants to Newco that each of the Company and the U.S. Government Subsidiaries has full corporate power and authority to execute and deliver this Agreement and the Ancillary Agreements to which it will be a party and to consummate the transactions contemplated hereby and thereby. All corporate proceedings on the part of each of the Company and the U.S. Government Subsidiaries that are necessary to approve and authorize the execution and delivery of this Agreement and the Ancillary Agreements to which it will be a party and the consummation of the transactions contemplated hereby and thereby have occurred, and this Agreement is a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms and the Ancillary Agreements to which any of the Company or the U.S. Government Subsidiaries will be a party, shall be valid and binding obligations of such party enforceable against such party in accordance with their terms, upon execution and delivery to the other parties thereto, in each case, with respect to enforceability, subject to (a) applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and (b) the remedy of specific performance and injunctive and other forms of equitable relief.

3.02 Power and Authority of Newco, Newco LLC, Newco 2 and Newco 3. Each of Newco, Newco LLC, Newco 2 and Newco 3 hereby represents and warrants to the Company that each of Newco, Newco LLC, Newco 2, Newco 3 and the Other Subsidiaries has full corporate or limited liability company, as applicable, power and authority to execute and deliver this Agreement and the Ancillary Agreements to which it will be a party and to consummate the transactions contemplated hereby and thereby. All corporate or limited liability company, as applicable, proceedings on the part of each of Newco, Newco LLC, Newco 2, Newco 3 and the Other Subsidiaries that are necessary to approve and authorize the execution and delivery of this Agreement and the Ancillary Agreements to which it will be a party and the consummation of the transactions contemplated hereby and thereby have occurred, and this Agreement is a valid and binding obligation of Newco, Newco LLC, Newco 2 and Newco 3, enforceable against Newco, Newco LLC, Newco 2 and Newco 3 in accordance with its terms and the Ancillary Agreements to which any of Newco, Newco LLC, Newco 2, Newco 3 or the

Other Subsidiaries will be a party, shall be valid and binding obligations of such party enforceable against such party in accordance with their terms, upon execution and delivery to the other parties thereto, in each case, with respect to enforceability, subject to (a) applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally and (b) the remedy of specific performance and injunctive and other forms of equitable relief.

3.03 Disclaimer of Representations and Warranties. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE MERGER AGREEMENT OR ANY ANCILLARY AGREEMENT, (A) NONE OF THE COMPANY, NEWCO, NEWCO LLC, NEWCO 2, NEWCO 3 OR ANY OTHER PERSON MAKES ANY REPRESENTATION OR WARRANTY OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE EQUITY INTERESTS IN THE OTHER SUBSIDIARIES, NEWCO, NEWCO LLC, NEWCO 2, NEWCO 3 OR THE U.S. GOVERNMENT SUBSIDIARIES, THE OTHER BUSINESS ASSETS, THE EXCLUDED ASSETS, THE ASSUMED LIABILITIES, THE EXCLUDED LIABILITIES, ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (INCLUDING ANY CONSENTS OR APPROVALS REQUIRED IN CONNECTION THEREWITH) OR THE BUSINESS, ASSETS, CONDITION OR PROSPECTS (FINANCIAL OR OTHERWISE) OF, OR ANY OTHER MATTER WITH RESPECT TO, THE OTHER BUSINESSES OR THE U.S. GOVERNMENT BUSINESS AND, IF MADE, SUCH REPRESENTATION OR WARRANTY MAY NOT BE RELIED UPON; (B) ALL OF THE EQUITY INTERESTS IN THE OTHER SUBSIDIARIES, NEWCO, NEWCO LLC, NEWCO 2, NEWCO 3 AND THE U.S. GOVERNMENT SUBSIDIARIES, THE OTHER BUSINESS ASSETS AND THE EXCLUDED ASSETS AND THE ASSUMED LIABILITIES AND EXCLUDED LIABILITIES, IN EACH CASE, TO BE CONVEYED, ASSIGNED, TRANSFERRED, DELIVERED OR ASSUMED PURSUANT TO THIS AGREEMENT OR ANY ANCILLARY AGREEMENT SHALL BE CONVEYED, ASSIGNED, TRANSFERRED, DELIVERED OR ASSUMED ON AN "AS IS, WHERE IS" BASIS, AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE ARE HEREBY EXPRESSLY DISCLAIMED; (C) NONE OF THE PARTIES HERETO OR ANY OTHER PERSON MAKES ANY REPRESENTATION OR WARRANTY WITH RESPECT TO ANY INFORMATION, DOCUMENTS OR MATERIAL MADE AVAILABLE IN CONNECTION WITH THE CONTRIBUTION, THE SALE, THE SPIN OFF OR THE ENTERING INTO OF THIS AGREEMENT, THE MERGER AGREEMENT, OR THE ANCILLARY AGREEMENTS OR THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY; AND (D) NONE OF THE PARTIES HERETO OR ANY OTHER PERSON MAKES ANY REPRESENTATION OR WARRANTY WITH RESPECT TO ANY FORWARD-LOOKING INFORMATION SUCH AS PROJECTIONS, FORECASTS, ESTIMATES, PLANS OR BUDGETS OF FUTURE REVENUES, EXPENSES OR EXPENDITURES, FUTURE RESULTS OF OPERATIONS (OR ANY COMPONENT THEREOF), FUTURE CASH FLOWS (OR ANY COMPONENT THEREOF) OR FUTURE FINANCIAL CONDITION (OR ANY COMPONENT THEREOF) OF THE U.S. GOVERNMENT BUSINESS OR THE OTHER BUSINESSES, OR THE FUTURE BUSINESS, OPERATIONS OR AFFAIRS OF THE U.S. GOVERNMENT BUSINESS OR THE OTHER BUSINESSES.

ARTICLE IV.

COVENANTS

4.01 Bulk Transfer Laws. Each Party waives compliance by the other Parties and their Subsidiaries with any laws relating to bulk transfers and bulk sales applicable to the transactions contemplated by this Agreement.

4.02 Cooperation.

(a) After the Closing, in the event and for so long as Newco or the Company or any of their respective Affiliates is contesting or defending any pending or threatened Action resulting or arising from the transactions contemplated by this Agreement or the Ancillary Agreements or any activity or transaction relating to the Other Businesses or the U.S. Government Business that arose prior to the Closing or compliance (or lack of compliance) by the other Party with any applicable law pertaining to the Other Businesses or the U.S. Government Business prior to the Closing, the Company or Newco, as applicable, shall, upon reasonable prior notice, and in a manner so as not to unreasonably interfere with normal business operations of such Party, reasonably cooperate with the other Party and cause its officers or employees, and use its commercially reasonable efforts to cause its directors, partners, managers, representatives, agents or Affiliates involved or formerly involved in the operation of the Other Businesses or the U.S. Government Business as it relates to the subject matter of such Action, to reasonably cooperate with the other Party in furnishing information, evidence, testimony and other assistance as may be reasonably requested by the other Party in connection with any such Action. To the extent that either Party receives a notice to appear, subpoena, complaint or other such notification related to an Action that should be properly addressed to the non-receiving Party, the receiving Party shall provide the non-receiving Party with such notice to appear, subpoena, complaint or other such notification promptly after receipt and in any event within five (5) Business Days of having received such notification. The covenants contained in this Section 4.02(a) shall not apply in connection with an adverse Action between the Parties (or any of their Affiliates), and shall not be in lieu of or otherwise limit the indemnification obligations of the Parties pursuant to this Agreement, the Ancillary Agreements or the Merger Agreement. After consultation with the other Party, a Party may restrict such cooperation and provision of such information to the extent such Party reasonably believes (after consultation with counsel) necessary to (i) comply with its existing confidentiality agreements with third parties, provided that such Party has used its commercially reasonable efforts to obtain consent to disclosure, (ii) prevent a violation of applicable laws, or (iii) preserve legal privilege that such Party or any of its Affiliates otherwise would be entitled to assert; provided, however, that in each case the applicable Party shall notify the other Party of the existence of such information and reasonably cooperate to find a way to allow provision of such information to the extent doing so would not (in the good faith belief of the disclosing Party after consultation with outside counsel) reasonably be likely to (x) result in a violation of the applicable agreement or law, or (y) undermine the applicable privilege.

(b) Subject to the indemnification provisions of Article VI, the Party requesting such assistance shall pay or reimburse the other Party for all reasonable out-of-pocket



expenses incurred by the Party providing such assistance in connection therewith, including reasonable attorneys' fees and all travel, lodging and meal expenses.

(c) From and after the Closing, the Parties shall, and shall cause their Affiliates to, cooperate with one another to ensure the orderly transition of the Other Businesses from the Company to Newco and to minimize any disruption to the Other Businesses and to the Company's remaining businesses that might result from such transition.

(d) At all times after the Closing Date, each of the Company and Newco and their respective Affiliates authorizes Newco and its Affiliates, on the one hand, or the Company and its Affiliates, on the other hand, as the case may be, to receive and open all mail, email, telegrams, packages and other communications received by it and not unambiguously intended for such other Party (or its Affiliates) or any of such other Party's (or its Affiliates') officers or directors, and to retain the same to the extent that they relate to the business of the receiving Party. To the extent that any such communications relate to the business of the non-receiving Party, the receiving Party shall promptly deliver such mail, email, telegrams, packages or other communications (or, in case the same relate to both businesses, copies thereof) to the other Party. In addition, (x) to the extent that Newco or any of its Affiliates during the Restricted Period receives any communications or inquiries regarding the provision of Company Services, it shall use good faith efforts to promptly (and in the case of a request for a proposal to provide Company Services within five (5) Business Days) forward such communication or inquiry to the officers of the Company designated by the Steering Committee after the Closing to receive such communications and inquiries, and (y) to the extent that the Company or any of its Affiliates during the Restricted Period receives any communications or inquiries regarding the provision of Newco Services (but excluding the provision of Company Excepted Services), it shall use good faith efforts to promptly (and in the case of a request for a proposal to provide Newco Services (other than Company Excepted Services) within five (5) Business Days) forward such communication or inquiry to the officers of Newco designated by the Steering Committee after the Closing to receive such communications and inquiries. The provisions of this Section 4.02(d) are not intended to, and shall not be deemed to, constitute an authorization by any of the Parties or their respective Affiliates to permit the other Party to accept service of process on its or its Affiliates' behalf, and neither Party is or shall be deemed to be the agent of the other Party or its Affiliates for service of process purposes.

(e) Following notification by Newco to the Company of Newco's new email domain name, the Company, until the date that is three (3) years after the Closing, shall cause all emails addressed to user names for Newco Employees under the "bah.com" email domain name to be immediately routed to email accounts bearing the corresponding user names under Newco's new email domain name; provided, however, that, in connection therewith, the Company shall be permitted to employ any spam filtering methods it uses in the ordinary course of its own operations.

(f) From and after the Closing Date until the date of the final payment of any amounts from the Spin-Off Escrow Agreement Account under Section 4.4(c) of the Employee Matters Agreement, the funds in the Spin-Off Agreement Escrow Account shall be available to reimburse the Company and Newco for reasonable costs and expenses incurred by such Party in connection with obtaining third-party consents or approvals pursuant to Sections 2.07(a), 2.07(b)

and 4.04; provided that the Parties shall be entitled to such reimbursement under this Section 4.02(f) solely to the extent (1) of remaining funds available, if any, in the Spin-Off Agreement Escrow Account, and (2) such cost or expense has not otherwise been reflected in the calculation of the Estimated Working Capital Adjustment or the Final Working Capital Adjustment (each as defined in the Merger Agreement), in the case of costs and expenses of the Company, or the Estimated NAV Transfer Adjustment or the Final NAV Transfer Adjustment, in the case of costs and expenses of Newco. Claims for reimbursement under this Section 4.02(f) shall be made in accordance with the following procedures. Claims may not be submitted until the Final NAV Transfer Amount has been finally determined, and the relevant payment has been made, under Sections 2.03(g) and 2.03(h). If, after giving effect to such payment, there are funds remaining in the Spin-Off Agreement Escrow Account, thereafter, within a reasonable period following the incurrence of any reimbursable costs or expenses by a Party pursuant to Sections 2.07(a), 2.07(b) or 4.04, the Party incurring such costs or expenses shall deliver to the other Party a statement setting forth the amount of such costs and expenses incurred (together with reasonably detailed back-up data to support such costs and expenses) and a request for reimbursement from the Spin-Off Agreement Escrow Account. Within five (5) Business Days of receipt of such request, Newco and the Company shall jointly instruct the Escrow Agent to distribute the amount of such costs to the requesting Party from the available funds, if any, in the Spin-Off Agreement Escrow Account. In the event insufficient funds remain available in the Spin-Off Agreement Escrow Account to satisfy any such claim, the costs and expenses incurred pursuant to Sections 2.07(a), 2.07(b) or 4.04 shall be borne by the Party that received or was to receive the relevant asset or for whose benefit the relevant liability was assumed or was to be assumed.

4.03 Expenses. Except as otherwise expressly provided in this Agreement, whether or not the transactions contemplated by this Agreement are consummated, the Company and Newco shall bear their own costs and expenses.

4.04 Further Assurances; Books and Records. From time to time after the Closing Date, the Company and Newco shall, and shall cause their respective Affiliates to, promptly execute and deliver, without consideration, such documents as any of them may reasonably request, including, without limitation, assignment and assumption agreements with respect to the Assumed Contracts, deeds, bills of sale, consents and other instruments in addition to those specified in this Agreement, in such form as may be appropriate, or take any additional actions, in each case, if reasonably necessary or advisable in connection with the consummation of the transactions contemplated by this Agreement, to more effectively transfer, convey and assign to Newco or the Company (or to more effectively record or evidence the same), and to put Newco or the Company in actual possession and control of, in the case of Newco, the Other Businesses and the Other Business Assets, free and clear of Encumbrances that are Excluded Liabilities other than Permitted Encumbrances, and, in the case of the Company, the U.S. Government Business and the Excluded Assets, free and clear of Encumbrances that are Assumed Liabilities other than Permitted Encumbrances, and to cause Newco, in the case of Assumed Liabilities, and the Company, in the case of Excluded Liabilities, to effectively assume (or to more effectively record or evidence the same) such liabilities, including, without limitation, using commercially reasonable efforts to obtain any necessary third-party consents or approvals; provided that any costs and expenses incurred to obtain any such consent or approval shall be borne by the Parties in accordance with Section 4.02(f). In addition, each Party shall promptly provide the other Party with copies of all Books and Records owned or controlled by

such Party to the extent that they are related to the Other Businesses, in the case of such Books and Records held by the Company or the U.S. Government Subsidiaries, or the U.S. Government Business, in the case of such Books and Records held by Newco or the Other Subsidiaries, and to the extent they already exist, including upon either Party's reasonable request. In the case of such Books and Records to be delivered to either Party that are maintained in electronic format, such Books and Records shall be delivered in an electronic format reasonably requested by the requesting Party to the extent practicable.

#### 4.05 Administration of Accounts.

(a) All payments and reimbursements made by any third-party in the name of or to the Company or any of its Affiliates that constitute Other Business Assets that are received after the Closing shall be held by the Company in trust for the benefit of Newco and, promptly upon receipt by the Company or such Affiliate of any such payment or reimbursement, the Company shall pay over or cause to be paid over to Newco the amount of such payment or reimbursement without deduction, withholding or right of set-off.

(b) All payments and reimbursements by any third-party in the name of or to Newco or any of its Affiliates that constitute Excluded Assets that are received after the Closing shall be held by Newco in trust for the benefit of the Company and, promptly upon receipt by Newco or such Affiliate of any such payment or reimbursement, Newco shall pay over or cause to be paid over to the Company the amount of such payment or reimbursement without deduction, withholding or right of set-off.

4.06 Confidentiality and U.S. Export-Controlled Information. For a period of three (3) years from the Closing Date (the "Restricted Period"), the Company, on the one hand, and Newco, on the other hand, shall hold and shall cause their respective Affiliates to hold, and shall each cause their respective past, present and future representatives and employees to hold, in confidence and not disclose, use or release without the prior written consent of the other Party, any and all Confidential Information (as defined herein) of the other Party; provided that (a) the Parties may use, or may permit use of, Confidential Information of the other Party that was disclosed prior to the Closing Date in accordance with any applicable terms of the Ancillary Agreements, and (b) the Parties may disclose, or may permit disclosure of, Confidential Information (i) to their respective representatives and employees who have a need to know and use such information for legal, tax, accounting and financial reporting purposes and are informed of their obligation to hold such information confidential and not use such information to the same extent as is applicable to the Parties hereto and in respect of whose failure to comply with such obligations, the Company, on the one hand, and Newco, on the other hand, as the case may be, shall be responsible, (ii) if the Parties hereto, their Affiliates or their representatives are compelled to disclose any such Confidential Information by judicial or administrative process or, in the opinion of independent legal counsel, by other requirements of applicable law, or (iii) to the extent reasonably necessary to be disclosed in connection with the resolution of any dispute with respect to this Agreement, the Merger Agreement or any Ancillary Agreement. Notwithstanding the foregoing, in the event that any demand or request for disclosure of Confidential Information is made pursuant to clause (ii) above, the Company, on the one hand, or Newco, on the other hand, as the case may be, shall promptly notify the other Party of the existence of such request or demand and shall provide to the other a reasonable opportunity to

seek an appropriate protective order or other remedy, which both Parties shall cooperate in obtaining (each at its own expense). In the event that such appropriate protective order or other remedy is not obtained, the Party who is required to disclose Confidential Information shall furnish, or cause to be furnished, only that portion of the Confidential Information that is legally required to be disclosed. "Confidential Information" shall mean all proprietary technical, economic, environmental, operational, financial and/or other business information or material of one Party or its Subsidiaries which, prior to, on or following the Closing Date, has been disclosed by the Company or its Affiliates (including the U.S. Government Subsidiaries), on the one hand, or Newco or its Affiliates (including the Other Subsidiaries), on the other hand, in written, oral (including by recording), electronic or visual form to, or otherwise has come into the possession of, the other Party or its Subsidiaries, including pursuant to any other provision of this Agreement or any Ancillary Agreement, or as a result of the Company's direct or indirect ownership of the Other Businesses and the Other Business Assets prior to the Closing (except, in each case, to the extent that such information can be shown to have been (1) in the public domain through no fault of such Party or its Affiliates, (2) lawfully acquired from other sources by such Party or its Affiliates to which it was furnished, or (3) developed by or for that Party without reference to the Confidential Information; provided, however, in the case of subclause (2), that such sources did not provide such information in breach of any confidentiality or other legal obligations of which the receiving Party had knowledge).

#### 4.07 Transferring Employees.

(a) At the close of business on the Closing Date, any person who is a Newco Employee shall cease to be an employee of the Company or any U.S. Government Subsidiary and shall automatically become an employee of Newco or the Other Subsidiaries. Except where a Newco Employee's employment transfers automatically to Newco or the Other Subsidiaries in connection with the Spin Off pursuant to applicable law, Newco shall, or shall cause the Other Subsidiaries to, offer employment, effective as of the Spin Off, to each Newco Employee who is employed by the Company or any of the U.S. Government Subsidiaries immediately prior to the Spin Off. The Parties hereto intend that there shall be continuity of employment with respect to all Newco Employees. On and immediately after the Closing Date, Newco or the Other Subsidiaries shall continue to provide employment to all Newco Employees on substantially comparable terms and conditions of employment (including salary or hourly wages, benefits, job responsibility and location) in the aggregate as those provided to such employees immediately prior to the Closing Date. Offers of employment made by Newco pursuant to this Agreement shall be sufficient to avoid statutory and contractual or other severance or separation obligations. At the close of business on the Closing Date, the Company Employees identified on Section 4.11(k) of the Company Disclosure Schedule (as defined in the Merger Agreement) as being employed by Newco or an Other Subsidiary shall (i) become an employee of the Company or a U.S. Government Subsidiary or (ii) shall remain employed by Newco or an Other Subsidiary for a period of up to one (1) year following the Spin Off Date and shall continue to provide services to the Company and its Affiliates in accordance with the terms of a secondment agreement to be entered into between Newco or an Other Subsidiary, as the case may be, and the Company. The Company shall, or shall cause a U.S. Subsidiary to, offer employment, effective as of the Spin Off or the end of the secondment, to each such Company Employee identified on Section 4.11(k) of the Company Disclosure Schedule who is employed by Newco or any of the Other Subsidiaries immediately prior to the Spin Off. The Parties hereto intend that there shall be

continuity of employment with respect to all Company Employees. On and immediately after the Closing Date or the end of any secondment referred to in this Section 4.07(a), the Company or a U.S. Government Subsidiary shall continue to provide employment to all Company Employees whose employment is transferred to the Company pursuant to this Section 4.07(a) on substantially comparable terms and conditions of employment (including salary or hourly wages, benefits, job responsibility and location) in the aggregate as those provided to such employees immediately prior to the Closing Date.

(b) Except as expressly provided otherwise in Article IV of the Employee Matters Agreement with respect to Newco Workers' Compensation Employees and Newco Disabled Employees (as each term is defined in Article IX of the Employee Matters Agreement), all Newco Employees shall cease to be active participants in any and all Company Plans as of the Closing Date, and no additional benefits for such Newco Employees shall accrue under the Company Plans in respect of periods following the Closing Date. Effective as of the Closing Date, the Company and Newco shall enter into an "Employee Matters Agreement" in the form attached hereto as Exhibit L, which shall, among other things, allocate the liabilities, obligations and commitments with respect to the Newco Employees and the Company Employees following the Closing Date.

(c) The Company and Newco agree to cooperate reasonably and in good faith to minimize any costs that may be borne by the Company or Newco or their respective Subsidiaries as a result of the transactions contemplated by this Agreement (including, without limitation, severance costs) and to cooperate reasonably and in good faith on other transition matters relating to the Newco Employees and their benefits; provided, however, that Newco shall indemnify the Company Indemnified Parties (in accordance with Article VI as an Assumed Liability) from and against any and all Losses incurred by any of them arising as a result of the actual or constructive termination of employment of any Newco Employee by the Company or its Subsidiaries on or prior to the Spin Off or by Newco following the Spin Off (including, but not limited to, in connection with or as a result of the consummation of the transactions contemplated by this Agreement); and provided, further, that nothing in this Section 4.07 shall (i) cause any employee to be deemed to have incurred a termination of employment; and (ii) no transfer of employment between the Company and Newco before the Spin Off shall be deemed a termination of employment for any purposes. No provision of this Agreement shall constitute an amendment of any Company Plan or any Newco Plan. Nothing in this Section 4.07, whether express or implied, shall create any third-party beneficiary or other right in any Person other than the Company and Newco (including, but not limited to, any Newco Employee or any participant in any Company Plan). Nothing in this Agreement shall constitute or create an employment agreement with any Newco Employee or constitute an amendment to any Company Plan or any other plan or arrangement covering the Newco Employees.

(d) Newco and the Company shall, and shall cause their respective Affiliates to, cooperate in good faith in providing to the other party hereto or labor union in which Newco Employees participate or any applicable works council in due time all information required by law with respect to (i) Newco and the Other Subsidiaries, (ii) the transfer of the Other Businesses pursuant to the Spin Off, (iii) the transfer of the Newco Employees to Newco and the Other Subsidiaries in connection with the Spin Off, and (iv) the compensation and benefits to be provided to Newco Employees following the Spin Off.

4.08 Guarantees; Letters of Credit. Prior to the Closing Date, (a) the Company shall use commercially reasonable efforts to replace or cause to be terminated, in either case, with no further liabilities or obligations on the part of Newco or any Other Subsidiary, all guarantees (and arrangements having the economic effect of a guarantee), letters of credit, performance bonds, surety bonds, customs bonds or similar obligations of Newco or the Other Subsidiaries or Other Businesses with respect to any obligation (other than an Assumed Liability) of the Company or any of its Affiliates, other than Newco or an Other Subsidiary ("Other Business Guarantees"), and (b) Newco shall use commercially reasonable efforts to replace or cause to be terminated, in either case, with no further liabilities or obligations on the part of the Company or any U.S. Government Subsidiary, all guarantees (and arrangements having the economic effect of a guarantee), letters of credit, performance bonds, surety bonds, customs bonds or similar obligations of the Company or any of the U.S. Government Subsidiaries with respect to any obligation (other than an Excluded Liability) of Newco or any of its Affiliates, other than the Company or a U.S. Government Subsidiary ("Company Guarantees"); provided that, in each case, the Company and Newco may make arrangements reasonably satisfactory to the other Party that will allow the Company and the U.S. Government Subsidiaries, in the case of the Company Guarantees, and Newco and the Other Subsidiaries, in the case of Other Business Guarantees, to be released from and have no liability under the applicable credit support arrangements. In the event that any Other Business Guarantee or Company Guarantee has not been terminated as of the Closing, from and after the Closing, (A) the Company shall indemnify the Newco Indemnified Parties from and against any and all Losses incurred by any of them relating to the Other Business Guarantees, and shall not amend, modify or renew any agreement subject to an Other Business Guarantee without the consent of Newco, in its sole discretion, and (B) Newco shall indemnify the Company Indemnified Parties from and against any and all Losses incurred by any of them relating to the Company Guarantees, and shall not amend, modify or renew any agreement subject to a Company Guarantee without the consent of the Company, in its sole discretion. Any such indemnity shall be provided in accordance with Article VI as an Excluded Liability (in the case of an Other Business Guarantee) or an Assumed Liability (in the case of a Company Guarantee).

4.09 Covenants Not To Compete.

(a) Newco agrees that, for the Restricted Period, it and its Subsidiaries shall not, directly or indirectly, whether as a prime contractor or a subcontractor, provide, offer to provide, sell, offer to sell or advertise for the provision or sale of Company Services (provided that Newco, directly or indirectly, may provide, offer to provide, sell, offer to sell or advertise for the provision or sale of (x) services or products in respect of World Bank Engagements outside of the United States and (y) Cybersecurity Services, (i) outside of the United States or (ii) in the United States pursuant to a purchase order, contract, agreement or other obligation (provided that Cybersecurity Services shall represent less than twenty percent (20%) of the aggregate revenues expected to be earned under such purchase order, contract, agreement or other obligation) with a Person for which Newco or a Subsidiary of Newco is the prime contractor, but only, in the case of clause (ii), to the extent such Cybersecurity Services are either (A) subcontracted to the Company or (B) if required by the client, subcontracted to another third-party); engage or participate in the activities of a Company Competitor with respect to providing Company Services; assist or advise (including through the provision of Newco Services) a Company Competitor with respect to providing Company Services; have an interest in a Company

Competitor as an employee, owner, partner, shareholder, officer, director or member; or knowingly permit its name to be used by a Company Competitor in connection with providing any services (other than Newco Services); provided, however, that Newco, directly or indirectly, may provide Newco Services as a prime contractor or a subcontractor to Company Competitors, including without limitation services and products relating to generally improving internal operations, restructuring operations, reducing costs and developing business strategies, so long as such services and products, singly and in the aggregate, would not reasonably be expected to assist such Company Competitor to develop or implement a strategy or capability to deliver Company Services. The foregoing shall not prohibit Newco from providing Newco Services to a Company Competitor so long as (i) such services are addressed to operations of such Company Competitor that are unrelated to the Company Services and (ii) such services have only an incidental impact, if any, on such Company Competitor's activities and operations that are competitive with the Company Services. Notwithstanding anything to the contrary herein, Newco and its Subsidiaries shall be entitled to provide, and it shall not be deemed a breach of this Section 4.09(a) if Newco or any of its Subsidiaries provides, products or services that would otherwise constitute a breach of this Section 4.09(a) to a Person (a "Pre-Closing Newco Client"), during the Restricted Period if such products or services are provided pursuant to a contract, for which the officer in charge of the applicable project (a "Pre-Closing Newco Project") is a Commercial Partner or a Newco Employee, either (i) entered into prior to the Closing or (ii) entered into after Closing, but in the case of clause (ii) only if a proposal was sent to such Pre-Closing Newco Client prior to the Closing. Newco and its Subsidiaries shall not be entitled during the Restricted Period to enter into an extension of a Pre-Closing Newco Project that would otherwise constitute a breach of this Section 4.09(a) (a "Pre-Closing Newco Project Extension") unless they offer to co-plan and co-market any such Pre-Closing Newco Project Extension with the Company under Section 4.09(f); provided, however, that if the Company does not agree within ten (10) Business Days thereafter to participate in such co-planning and co-marketing, subject to the final sentence of this Section 4.09(a), Newco and its Subsidiaries shall be entitled to provide, and it shall not be deemed a breach of this Section 4.09(a) if Newco or any of its Subsidiaries provides, such Pre-Closing Newco Project Extension; provided further that Newco and its Subsidiaries shall not be entitled to undertake a Pre-Closing Newco Project Extension with any of the Persons or U.S. government services divisions (as applicable) that it would not be allowed to sell services to pursuant to the next sentence of this Section 4.09(a). Notwithstanding anything to the contrary in this Agreement, Newco agrees that, for the Restricted Period, it and its Subsidiaries shall not, directly or indirectly, whether as a prime contractor or a subcontractor, provide, offer to provide, sell, offer to sell or advertise for the provision or sale of any services (including Company Services and Newco Services) to (x) any of the following Persons, their Subsidiaries or the Prohibited Successors of either of the foregoing: Electronic Data Services Corporation, Jacobs Engineering Group, Science Applications International Corporation, BearingPoint, Inc., Accenture Ltd., CACI International Inc., ManTech International Corporation, Stanley Associates, Inc., VSE Corporation, SRA International, Inc., Deloitte Consulting LLP, ARINC Incorporated, Computer Sciences Corporation, Scitor Corporation, SRI International, Alion Science and Technology, MTC Technologies Inc., SI International, SPARTA, Inc., or Wyle Laboratories, Inc., or (y) the U.S. government services divisions of the following Persons or their Subsidiaries or the Prohibited Successors of such divisions: BAE Systems, The Boeing Company, General Dynamics, Harris Corp., IBM, L3 Communications, Lockheed Martin, Raytheon or Northrop Grumman (in the

case of this clause (y), only to the extent that the primary purpose of such division or other internal organizational construct of such Person is to provide those specific services set forth on Schedule 4.09(a) (the “Core Company Services”) to a U.S. Government Body); provided that Newco shall not be prohibited from providing to any Person identified in clause (y) of this sentence (other than any U.S. government services division or other internal organizational construct of such Person whose primary purpose is to provide Core Company Services to a U.S. Government Body) Newco Services so long as (i) such services are addressed to operations of such Person that are unrelated to the Company Services and (ii) such services have only an incidental impact, if any, on such Person’s activities and operations that are competitive with the Company Services.

(b) The Company agrees that, for the Restricted Period, it and its Subsidiaries shall not, directly or indirectly, whether as a prime contractor or a subcontractor, provide, offer to provide, sell, offer to sell or advertise for the provision or sale of any consulting services, either management or technical, or any related products to any Person, other than the provision, sale, offering or advertising of Company Services (the “Newco Services”); engage or participate in the activities of a Newco Competitor with respect to providing the Newco Services (other than Company Excepted Services); assist or advise (including through the provision of Company Services) a Newco Competitor with respect to providing the Newco Services (other than Company Excepted Services); have an interest in a Newco Competitor as an employee, owner, partner, shareholder, officer, director or member; or knowingly permit its name to be used by a Newco Competitor in connection with providing any services (other than Company Services or Company Excepted Services), in each case anywhere in the Newco Covered Territories; provided, however, that, notwithstanding anything to the contrary in this Agreement, (i) the Company may acquire a Person that provides Newco Services (a “Commercial Acquired Company”) and such Person may thereafter continue to provide such Newco Services if the Company and such Person do not use the name “Booz” or any derivation thereof in connection with the provision of such Newco Services by such Person after such acquisition and during the Restricted Period; (ii) the Company may have such contact with foreign Governmental Entities or other Persons in connection with Cybersecurity Services, Foreign Government Projects, International Defense Projects and World Bank Engagements and with the sale or provision of the services and products described in Sections 1.45(i), (vi) and (vii) and 4.09(b)(iii)(A), (C) and (D) as is necessary or reasonably appropriate to carry on the U.S. Government Business relating to, and to perform such, Cybersecurity Services, Foreign Government Projects, International Defense Projects and World Bank Engagements and provide such services and products described in Sections 1.45(i), (vi) and (vii) and 4.09(b)(iii)(A), (C) and (D); provided, however, that, with respect to Cybersecurity Services and the services and products described in Section 1.45(vii), such contact permitted pursuant to this clause (ii) shall not consist of any proactive marketing of products and services by the Company or its Subsidiaries (except in connection with the provision of services and products, as contemplated by Section 4.09(f)); and (iii) the Company may provide, as a prime contractor or subcontractor, services and products to (A) Buyer Entities, (B) any Persons in connection with the GSA Required Engagements, (C) the non-governmental and not-for-profit organizations set forth on Schedule 4.09(b) and (D) commercial entities in connection with such entities’ sale of services equivalent to the Company Services (the services and products described in clause (iii) being the “Company Excepted Services”). The Company agrees that, to the extent it or its Subsidiaries provide the Company Excepted Services described in Section 4.09(b)(iii)(B), it will, to the extent permitted



by applicable law and the terms of the applicable client engagements, provide notice to Newco upon Newco's request (not more than four times during any 12-month period), during the Restricted Period, of the aggregate value of such Company Excepted Services and a brief breakdown and description thereof. Notwithstanding anything to the contrary in this Section 4.09(b), the provision by the Company of any Newco Services to any Person shall not be considered a violation of this Section 4.09(b) if the opportunity for such engagement was originated with no proactive marketing to such Person and the revenues generated from the provision of such Newco Services to all such Persons does not exceed \$1,000,000 in the aggregate during any 12-month period during the Restricted Period. Notwithstanding anything to the contrary herein, the Company and its Subsidiaries shall be entitled to provide, and it shall not be deemed a breach of this Section 4.09(b) if the Company or any of its Subsidiaries provides, products or services that would otherwise constitute a breach of this Section 4.09(b) to a Person (a "Pre-Closing Company Client") during the Restricted Period if such products or services are provided pursuant to a contract, for which the officer in charge of the applicable project (a "Pre-Closing Company Project") is a Government Shareholder or a Company Employee, either (i) entered into prior to the Closing or (ii) entered into after Closing, but in the case of clause (ii) only if a proposal was sent to such Pre-Closing Company Client prior to the Closing. The Company and its Subsidiaries shall not be entitled during the Restricted Period to enter into an extension of a Pre-Closing Company Project that would otherwise constitute a breach of this Section 4.09(b) (a "Pre-Closing Company Project Extension") unless they offer to co-plan and co-market any such Pre-Closing Company Project Extension with Newco; provided, however, that if Newco does not agree within ten (10) Business Days thereafter to participate in such co-planning and co-marketing, the Company and its Subsidiaries shall be entitled to provide, and it shall not be deemed a breach of this Section 4.09(b) if the Company or any of its Subsidiaries provides, such Pre-Closing Company Project Extension.

(c) Each of Newco and the Company agrees that for the Restricted Period it and its Subsidiaries shall not, directly or indirectly:

- (i) solicit or attempt to solicit any customer of the other Party or any of its Subsidiaries to adversely change its relationship with or cease doing business with the other Party or any of its Subsidiaries;
- (ii) solicit or attempt to solicit any supplier, distributor, consultant, licensor, licensee or other business relation of the other Party or any of its Subsidiaries to adversely change its relationship with or cease doing business with the other Party or any of its Subsidiaries; or
- (iii) hire or attempt to hire any Person who was at the Closing or is then a director, officer, employee, consultant or agent of the other Party or any of its Subsidiaries (other than employees of such Person who are also shareholders of such Person, who are the subject of Sections 4.09(d) and 4.09(e), and administrative staff), unless such Person's employment with the other Party or any of its Subsidiaries had previously been terminated by such Party or its applicable Subsidiary (x) pursuant to a general reduction in workforce or (y) without cause.

(d) Newco agrees that, until the earlier of (i) the fifth anniversary of the Closing Date or (ii) a Change of Control of the Company (which shall not include the transactions contemplated by the Merger Agreement), Newco and its Subsidiaries shall not, directly or indirectly, hire or attempt to hire any Person who was, at or prior to the Closing, or is then, a shareholder of the Company (other than a Commercial Partner), unless such Person's employment with the Company or any of its Subsidiaries had been terminated (x) more than 12 months prior to the Closing or (y) by the Company or its applicable Subsidiary (A) pursuant to a general reduction in workforce or (B) without cause. In addition, Newco agrees that, during the Restricted Period, it and its Subsidiaries shall not, directly or indirectly, acquire a Company Competitor (whether by merger, consolidation or similar transaction or sale or transfer of voting shares, capital stock, assets or otherwise). Newco agrees that, if an Affiliate using the Booz Capital Marks (as defined in the Branding Agreement) ceases to be an Affiliate of Newco prior to the fifth anniversary of the Closing Date, prior to the effective date of such cessation, Newco shall cause such Person, on behalf of itself and its Subsidiaries, to enter into an agreement with the Company pursuant to which such Person agrees to be bound by the restrictive terms and conditions and for the periods set forth in Section 4.09(a), 4.09(c) and this 4.09(d), mutatis mutandis. Notwithstanding anything to the contrary in the Branding Agreement, the Company will not be required to enter into a written license agreement with any such former Affiliate of Newco under Article XII of the Branding Agreement unless and until such former Affiliate has entered into the agreement referred to in the sentence immediately preceding this sentence.

(e) The Company agrees that, until the earlier of (i) the fifth anniversary of the Closing Date or (ii) a Change of Control of Newco (which shall not include the transactions contemplated by this Agreement), the Company and its Subsidiaries shall not, directly or indirectly, hire or attempt to hire any Person who was, at or prior to the Closing, a Commercial Partner, or is then a shareholder of Newco, unless such Person's employment (x) with the Company or any of its Subsidiaries had been terminated more than 12 months prior to the Closing or (y) with Newco or any of its Subsidiaries had been terminated by Newco or its applicable Subsidiary (A) pursuant to a general reduction in workforce or (B) without cause.

(f) Each of Newco and the Company recognizes and acknowledges the mutual benefit to both Parties in continuing to cooperate in identifying and developing opportunities for joint project engagements and in sharing information regarding potential engagements. In particular (but subject to, and without limiting, the restrictions contained in Section 4.09(a) or 4.09(b) (including the definitions used therein)), Newco recognizes and acknowledges that (x) the U.S. Government Business has in the past conducted and, as of the Closing Date, conducts Newco Services, (y) the Company expects to continue to conduct such services in a manner and in volumes consistent with historical practices and (z) the Company must maintain the conduct of such services in a manner and in volumes consistent with past practice in order to support the capabilities of the Company and reasonableness of the prices offered by the Company under, and to maintain and compete for, in each case, Federal Supply Schedule Contracts at labor rates consistent with past practices as adjusted for annual and other increases. As a result, during the Restricted Period, each of Newco and the Company agrees to cooperate in good faith and to facilitate further cooperation among their respective partners to (i) identify potential opportunities for joint project engagements and engagements for which the other Party would be well suited, (ii) subject to the terms of applicable client engagements and other applicable confidentiality restrictions, share such information in clause (i) with the other

Party, from time to time, (iii) co-plan and co-market the provision of products and services to Persons mutually agreed by the Parties or their respective applicable partners as set forth below, (iv) commit to devote substantially comparable partner-level, client-marketing days to such co-marketing subject to the restrictions set forth below, and (v) use good faith efforts to ensure that the time and effort invested by each Party and its employees results in revenue recognition reasonably consistent with marketing activities in the commercial consulting market, in each case, anywhere in the world. The Parties anticipate that the healthcare, information technology, financial services and energy markets present significant opportunities for cooperation. This provision is intended to memorialize the Parties' desire to cooperate in good faith, as set forth above and below, and shall not be construed to limit any additional cooperation as may be agreed upon from time to time by the Parties or their respective partners. Without limiting the generality of the foregoing, each of Newco and the Company agrees as follows. From time to time during the Restricted Period:

(i) Each of Newco and the Company or their respective partners shall identify joint project engagements that are scheduled to expire within the immediately following twelve (12) month period and shall co-plan and co-market the provision of similar products and services to the applicable clients;

(ii) Newco must deploy an amount of partner-level employee time at least equal to the amount of partner-level employee time that the Company deploys to co-market products or services to clients under this Section 4.09(f); provided, however, that, subject to Section 4.09(f)(iv) below, Newco shall not be required to deploy more than forty (40) client marketing days per fiscal quarter (with the initial quarter commencing on the Closing Date);

(iii) The co-marketing and performance of any project approved in accordance with this Section 4.09(f) shall be led by a partner-level employee of Newco, who shall be the client service officer (who shall have the functions and responsibilities comparable to those of a client service officer of the Company as of the date of this Agreement) with respect to such project, and a partner-level employee of the Company (any Person that acquires products and/or services from Newco and the Company pursuant to the co-marketing efforts set forth in this Section 4.09(f) is referred to herein as a "Co-Marketing Customer"); provided that nothing in this Section 4.09(f)(iii) shall limit the Parties' or their respective partners' right, if they so desire, to delegate the co-planning and co-marketing activities contemplated by this Section 4.09(f) other than the initial marketing presentation to a client, which shall be made by partner-level employees of each Party;

(iv) If either Party in good faith believes that the co-marketing contemplated by this Section 4.09(f) has failed to result in revenue recognition reasonably consistent with marketing activities in the commercial consulting market, such Party may (x) require that the Steering Committee consider and implement market-based planning procedures in order to fully realize the intentions of this Section 4.09(f) (and, as part of such consideration, the Steering Committee may consider releasing, and determine by a vote of a majority of its

members to release, the Company from certain of the restrictions contained in Section 4.09(b)) and the Steering Committee shall so implement such procedures and (y) require that each Party devote a greater amount of partner-level employee time to the co-marketing efforts contemplated by this Section 4.09(f) (provided, however, that neither Party shall be required to deploy more than fifty (50) client marketing days per fiscal quarter);

(v) The marketing, provision or sale of any products and services to any Co-Marketing Customer by the Company and Newco under this Section 4.09(f) shall be at rates consistent with historical pricing for similar products and services for each Party; and

(vi) Each of Newco and the Company or their respective partners shall provide the other Party or its respective partners with lists and other information identifying potential project engagements or Persons of which the providing Party has become aware, that the providing Party determined not to pursue and that, in the good faith judgment of such providing Party, represents an opportunity (x) which is a potential candidate for co-marketing and co-planning under this Section 4.09(f) or (y) for which the other Party would be well suited.

(g) If a final judgment of a court or tribunal of competent jurisdiction determines that any term or provision contained in this Section 4.09 is invalid or unenforceable, then the Parties agree that the court or tribunal will have the power to reduce the scope, duration or geographic area of the term or provision, to delete specific words or phrases or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision. This Section 4.09 will be enforceable as so modified after the expiration of the time within which the judgment may be appealed. The Parties agree that this Section 4.09 is reasonable and necessary to protect and preserve the Company's and Newco's legitimate business interests and the value of the Company and Newco, as the case may be, and to prevent any unfair advantage conferred on the Company or Newco.

(h) To the extent either Party wishes to seek a waiver of the restrictions contained in this Section 4.09, such Party shall provide a written request, with reasonable details, regarding the exception sought, to the points of contact from Newco and the Company designated after the Closing by the Steering Committee. The points of contact so designated by the Steering Committee shall promptly review such request, but no Party shall have any obligation to grant any such waiver.

#### 4.10 Steering Committee.

(a) Each Party shall appoint three of its senior executive officers promptly after the Closing to a joint committee (the "Steering Committee") to address and attempt to resolve any issues or disputes that may arise under this Agreement or the Ancillary Agreements. Any member of the Steering Committee shall be entitled to delegate his or her responsibilities to one or more officers of the Party such member represents on the Steering Committee. The Steering Committee shall meet every thirteen (13) weeks (or such other time period mutually

agreed by the Parties) to discuss any issues or disputes that may have arisen under this Agreement or any Ancillary Agreement until such time as the Parties jointly determine that such meetings are no longer necessary or appropriate. Such meetings shall be held either in person, by teleconference, by videoconference or by email, as determined by a majority of the members of the Steering Committee. In addition to such regular meetings, the Steering Committee shall, within ten (10) Business Days after any issue or dispute under this Agreement or any Ancillary Agreement is referred to it in writing (which may include email) by either the Company or Newco or as otherwise required under any applicable Ancillary Agreement (or such other time period mutually agreed by the Parties), convene in person, by teleconference, by videoconference or by email to discuss such issue or dispute. The representatives of the Parties serving on the Steering Committee shall attempt in good faith to resolve any such issue or dispute brought before the Steering Committee. If the Steering Committee is unable to resolve any such issue or dispute within ten (10) Business Days (or such other time period mutually agreed by the Parties) after it initially meets to discuss such issue or dispute, such issue or dispute shall be referred to the chief executive officers of the Company and Newco and, if they cannot resolve such issue or dispute within twenty (20) Business Days (or such other time period mutually agreed by the Parties) thereafter, either Party may bring an action in accordance with Section 7.12 (or the corresponding provisions in the applicable Ancillary Agreement) to resolve such issue or dispute.

(b) Notwithstanding anything to the contrary, when a Party makes a good faith determination that a breach of the terms of this Agreement or any Ancillary Agreement by the other Party is such that a temporary restraining order or other immediate injunctive relief is appropriate, then such Party may make immediate application to a competent court for appropriate provisional remedies in accordance with Section 7.13 (or any similar provision for specific performance in the applicable Ancillary Agreement) without regard to the requirements of Section 4.10(a).

#### 4.11 Export Control Matters.

(a) The Company shall retain the current registration (M-5265) with the Department of State's Directorate of Defense Trade Controls (the "DDTC") and shall be responsible within five (5) days of the Closing Date to notify the DDTC of the divestiture of Newco. Newco shall promptly register with DDTC as a manufacturer or exporter of defense articles and services.

(b) The Parties shall cooperate in identifying any technical data that is controlled under any U.S. or non-U.S. export control laws, regulations or other restrictions ("Export Controlled Information"). To the extent that any Company employees or agents and any Newco employees or agents remain co-located at a facility, each Party shall identify its employees that are foreign persons for whom a license or other authorization is required for access to Export Controlled Information. In seeking access to Shared Firm Intellectual Property which is also Export Controlled Information, the Party requesting access shall confirm that the person receiving the Export Controlled Information is authorized by citizenship, residency, license or other authorization under the applicable export control laws or regulations governing the Export Controlled Information.

#### 4.12 Post-Closing Actions.

(a) For a period of three (3) years following the Closing, Newco will not redeem, repurchase or otherwise reacquire any shares of Series A Non-Voting Preferred Stock.

(b) Newco will not cause or permit any of the entity classification elections made pursuant to the steps set forth on Exhibit D to be rescinded or revoked or, in the case of any non-U.S. entity for which an entity classification election was made to change such entity's classification from an association taxable as a corporation to either a partnership or disregarded entity (each, a "Former CFC"), for a period of five (5) years from such change, cause or permit any subsequent entity classification election to be made to classify such Former CFC as an association taxable as a corporation.

(c) For a period of two (2) years following the Closing, Newco will not (i) cause or permit any shares of Newco Non-Voting Common Stock to be converted into or exchanged for Newco voting stock, (ii) cause or permit any Former CFC to be transferred to an entity classified as an association taxable as a corporation for U.S. federal income tax purposes, (iii) cause or permit Newco, Newco 2 or Newco 3 to liquidate, dissolve, or convert into or become treated as a disregarded entity or partnership for U.S. federal income tax purposes, (iv) cause or permit Newco to amend, restate or otherwise modify the Certificate of Designations, Preferences and Rights of Series A Non-Voting Preferred Stock of Newco attached hereto as Exhibit F or (v) cause or permit Newco 2 to merge with Newco or Newco 3.

4.13 German Pension Plan Matters. In consideration of the Additional Cash Transfer and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Newco agrees that (i) promptly after the Closing, it shall, and shall cause its Subsidiaries (including BASP) to, contribute \$50,000,000 to Booz Allen Hamilton GmbH (Germany), and shall cause Booz Allen Hamilton GmbH (Germany) to set aside and use such funds, in each case, in a manner appropriate under German law, solely to fund the liabilities of the defined benefit pension plans of Booz Allen Hamilton GmbH (Germany) and (ii) prior to the end of the fiscal year in which the Closing occurs, it shall, and shall cause its Subsidiaries (including BASP) to, contribute an amount to Booz Allen Hamilton GmbH (Germany), and shall cause Booz Allen Hamilton GmbH (Germany) to set aside and use such funds, in each case, in a manner appropriate under German law and in an amount sufficient, to fully fund the liabilities of the defined benefit pension plans of Booz Allen Hamilton GmbH (Germany) as of March 31, 2009; provided, however, that in the case of clauses (i) and (ii), Newco shall fund such liabilities in a tax efficient manner for both Newco and its Subsidiaries and the participants in such defined benefit pension plans.

### ARTICLE V.

#### TAXES

##### 5.01 Preparation and Filing of Tax Returns.

(a) Newco shall prepare and timely file (or cause to be prepared and timely filed) (i) all Tax Returns of Newco, Newco 2, Newco 3 and the Other Subsidiaries with respect

to any tax period beginning on or after the Closing Date and (ii) all Tax Returns with respect to any Other Taxes or non-U.S. Income Taxes that are Assumed Liabilities. Newco shall timely pay all Taxes due with respect to such Tax Returns.

(b) The Company shall prepare and timely file (or cause to be prepared and timely filed) (i) all Tax Returns with respect to the Company and its Subsidiaries, including any consolidated, combined entity, unitary or similar Tax Return that includes Newco, Newco 2, Newco 3 and the Other Subsidiaries, and (ii) all Tax Returns of Newco, Newco 2, Newco 3 and the Other Subsidiaries relating to U.S. federal, state or local Income Taxes with respect to any tax period that begins before and ends after the Closing Date. Subject to Section 5.05, the Company shall timely pay all Taxes due with respect to such Tax Returns. With respect to any Tax Returns described in clause (ii), Newco shall timely reimburse the Company for all Taxes attributable to the Post-Closing Partial Period.

#### 5.02 Cooperation and Retention.

(a) The Company and Newco and their respective Affiliates shall provide the other Party, promptly upon request, with such cooperation and assistance, documents and other information, without charge, as may reasonably be requested by such Party in connection with (i) the preparation and filing of any original or amended Tax Return or any other filing with any taxing authority, (ii) the conduct of any audit or other examination or any judicial or administrative proceeding involving Taxes, or (iii) the verification by a Party of an amount payable hereunder to, or receivable hereunder from, another Party. Such cooperation and assistance shall include, without limitation: (i) the provision on demand of Books and Records, Tax Returns, documentation or other information relating to any relevant Tax Return, in each case, owned or controlled by the Party or its Affiliates receiving such demand, (ii) the execution of any document that may be necessary or reasonably helpful in connection with the filing of any Tax Return, or in connection with any audit, proceeding, suit or action of the type generally referred to in the preceding sentence, including, without limitation, the execution of powers of attorney and extensions of applicable statutes of limitations, (iii) the prompt and timely filing of appropriate claims for refund, and (iv) the use of commercially reasonable efforts to obtain any documentation from a Governmental Entity or a third-party that may be necessary or helpful in connection with the foregoing. Each Party shall make its employees and facilities available on a mutually convenient basis to facilitate such cooperation.

(b) The Company and Newco shall retain or cause to be retained all Tax Returns and all Books and Records, schedules, workpapers and other documents relating thereto with respect to taxable periods ending on or prior to the Closing Date, in each case, owned or controlled by the Company or Newco or their Affiliates, until the expiration of the later of (i) all applicable statutes of limitations (including any waivers or extensions thereof), and (ii) any retention period required by law or pursuant to any record retention agreement. The Parties shall promptly notify each other in writing of any waivers, extensions or expirations of applicable statutes of limitations.

5.03 Taxable Year. The Company and Newco agree that (i) Newco, Newco 2, Newco 3 and the Other Subsidiaries shall be included in the consolidated federal income Tax Return of the Pre-Spin Off Group for the taxable year that ends at the close of business on the

Closing Date (and in all corresponding consolidated, combined or unitary state or other Tax Returns of the Pre-Spin Off Group), (ii) the Company and the U.S. Government Subsidiaries shall begin a new taxable year for purposes of such federal and, to the extent permitted by law, state Taxes on the day after the Closing Date, and (iii) Newco, Newco 2, Newco 3 and the Other Subsidiaries shall begin a new taxable year for purposes of such federal and, to the extent permitted by law, state Taxes on the day after the Closing Date. The Parties further agree that, to the extent permitted by applicable law, all federal, state or other Tax Returns shall be filed consistently with this position. Any Taxes for a Tax period beginning before, and ending after, the Closing Date shall be apportioned between the portion of such period ending on the Closing Date (the "Pre-Closing Partial Period") and the portion of such period beginning after the Closing Date (the "Post-Closing Partial Period") based on the actual activities, taxable income or taxable loss of the applicable entity during such Pre-Closing Partial Period and such Post-Closing Partial Period on a closing of the books basis.

5.04 Amendments to Tax Returns; Refunds.

(a) No Tax Returns (other than for Income Taxes that are Excluded Liabilities) filed by the Company or its Subsidiaries with respect to the Other Businesses and with respect to tax periods (or portions thereof) ending on or prior to the Closing Date may be amended without Newco's consent, which shall not be unreasonably withheld.

(b) Newco, Newco 2, Newco 3 and the Other Subsidiaries shall promptly pay the Company the amount of any Tax refund, credit or similar benefit (including any interest paid or credited with respect thereto) received by Newco, Newco 2, Newco 3 or the Other Subsidiaries net of any costs related thereto attributable to any Taxes that are Excluded Liabilities. Newco shall, if the Company so requests and at the Company's expense, cause Newco or any of its Affiliates to use commercially reasonable efforts to obtain and expedite the receipt of any refund to which the Company is entitled pursuant to this Section 5.04.

5.05 Deductions with Respect to Compensation. All deductions, credits or other benefits for United States federal, state and local Income Tax purposes that (i) result from any payment in the nature of compensation that is paid in connection with the transactions contemplated by this Agreement (including the Commercial Restructuring), or (ii) relate to, arise out of, or are in connection with, the consummation of the Merger or the other transactions contemplated by the Merger Agreement (including, for the avoidance of doubt, any compensation deduction related to, arising out of, or in connection with, payments to any Sellers made thereunder but excluding, for the avoidance of doubt, in each case, the Newco Bonus Liabilities) shall be taken by the Company, and neither Newco, Newco 2, Newco 3 nor any Other Subsidiary shall take any position on any Tax Return which is inconsistent with such treatment, unless required to do so pursuant to a Final Determination to such effect.

5.06 Indemnification.

(a) Notwithstanding anything to the contrary in this Agreement, if (i) a majority of Newco Shares (or a majority of Newco's assets) are sold to a third-party within three (3) years after the Closing Date at a price in excess of the allocable portion of the fair market value of the Newco Shares, as determined by Newco and the Company in accordance with



Section 10.6 of the Merger Agreement (the "Agreed Value"), and (ii) a taxing authority successfully asserts that the fair market value of the Newco Shares at the time of the Spin Off is in excess of the Agreed Value, Newco shall, subject to the provisions set forth in this Section 5.06, indemnify the Company Indemnified Parties for the resulting increased Pre-Closing Taxes.

(b) Dual Consolidated Losses.

(i) After the Closing Date, Newco and the Company shall file or cause to be filed a New Domestic Use Agreement and Original Elector Statement, as applicable, by the due date (including extensions) of its Tax Return for the year in which the Spin Off occurs and meet all other requirements necessary to prevent the Spin Off or any other transaction contemplated by this Agreement from causing the recapture of Dual Consolidated Losses.

(ii) After the Closing Date, Newco shall annually file or cause to be filed by the due date (including extensions) of its Tax Return all reports and certifications that are necessary pursuant to Treasury Regulations Section 1.1503(d)-6(g) to prevent the recapture of Dual Consolidated Losses. Upon the occurrence of any subsequent trigger event described in Treasury Regulations Section 1.1503(d)-6(e), subject to Section 5.06(b)(iii)(x), Newco shall report the recapture income (and any related interest charge) with its timely filed Tax Return for the year in which the subsequent triggering event occurs.

(iii) Notwithstanding anything to the contrary in this Agreement, (x) the Company shall indemnify the Newco Indemnified Parties for any Losses arising out of or related to the recapture of Dual Consolidated Losses, which recapture results from any action of the Company or its Affiliates (including the Company's failure to satisfy its obligations described in clause (i) above), and (y) Newco shall indemnify the Company Indemnified Parties for any Losses arising out of or related to the recapture of Dual Consolidated Losses, which recapture results from any action of Newco or its Affiliates (including Newco's failure to satisfy its obligations described in clauses (i) and (ii) above).

(c) Upon the receipt by an Indemnified Party of any pending or threatened Tax audit or assessment with respect to which an indemnification claim could be made under this Section 5.06, the Indemnified Party shall promptly notify the Indemnifying Party in writing of the receipt of such notice. Such notice shall contain factual information describing the asserted Tax liability in reasonable detail and shall include copies of any notice or other document received from any taxing authority in respect of such asserted Tax liability. If the Indemnified Party fails to give the Indemnifying Party prompt notice of any asserted Tax liability as required by this Section 5.06, then the Indemnified Party shall not be entitled to indemnification with respect to such Tax liability to the extent that failure adversely affects the rights or ability of the Indemnifying Party to fully contest such asserted Tax liability.

(d) The Indemnifying Party shall have the right to control, and to represent the interests of all affected taxpayers in, any Tax audit or administrative, judicial or other proceeding that could give rise to an indemnity payment under this Section 5.06 and to employ counsel of its

choice; provided, however, that the Indemnifying Party shall (i) provide the Indemnified Party with a timely copy of all documents (or portions thereof) relating to such audit, examination or proceeding, (ii) consult with the Indemnified Party with respect to any written submissions in connection with such audit, examination or proceeding, (iii) provide the Indemnified Party with the right to participate, at the Indemnified Party's cost and expense, in any conference with any taxing authority regarding such audit, examination or proceeding, and (iv) not enter into any settlement thereof without the written consent of the Indemnified Party, which shall not be unreasonably or untimely withheld.

(e) The Indemnified Party shall execute and deliver to the Indemnifying Party, promptly upon request, powers of attorney authorizing the Indemnifying Party to extend statutes of limitations, receive refunds, negotiate settlements and take such other actions that the Indemnifying Party reasonably considers to be appropriate in exercising its control rights pursuant to this Section 5.06, and any other documents reasonably necessary to effect the exercising of such control rights.

(f) Capitalized terms used in Section 5.05, this Section 5.06 or Article VI but not defined in this Agreement shall have the meanings ascribed to such terms in the Merger Agreement.

(g) The parties shall treat any and all payments under this Section 5.06 and Article VI as an adjustment to the Purchase Price for Tax purposes unless otherwise required by Law.

#### 5.07 Section 338 Election.

(a) The Company and Newco 3 shall jointly make timely and irrevocable elections under Section 338(h)(10) of the Code and any comparable provisions of applicable state and local Tax Laws (collectively, the "Section 338 Election") with respect to the purchase of any U.S. Other Subsidiaries that are corporations within the meaning of Section 7701 of the Code (the "U.S. Corporate Other Subsidiaries").

(b) As soon as reasonably practicable after the determination of the Final NAV Transfer Amount, Newco 3 shall prepare and deliver to the Company a determination of the ADSP (as defined in the applicable Regulations under Section 338 of the Code) and an allocation of the ADSP among the assets of the U.S. Corporate Other Subsidiaries prepared in a manner required by Regulations Section 1.338-6 (the "Proposed Allocation"). If the Company objects to the Proposed Allocation, the Company may, within 10 days after delivery of the Proposed Allocation, deliver a notice to Newco 3 setting forth its disagreement with the Proposed Allocation. The Company and Newco 3 shall work together in good faith to resolve all differences with respect to the Proposed Allocation. In the event the Company and Newco 3 are unable to resolve their differences, such differences shall be resolved in a manner similar to that provided in Section 2.03(e). The Proposed Allocation as finally agreed shall be the "Final Allocation," giving effect to any adjustments the Parties mutually agree to as a result of any Purchase Price adjustment. The Company and Newco 3 shall file all Tax Returns (including IRS Form 8883) consistent with the Final Allocation.

(c) As soon as reasonably practicable after the date hereof, Newco 3 shall prepare IRS Form 8023 and any similar forms required to effectuate the Section 338 Election under applicable state and local Tax Laws. The Company shall cooperate with Newco 3 in the preparation of such forms and shall deliver duly completed and executed copies of the forms on the Closing Date. The Company and Newco 3 shall cooperate with each other to take all actions necessary and appropriate (including filing such additional forms, Tax Returns, elections, schedules and other documents as may be required) to effect and preserve the Section 338 Election in accordance with the provisions of Regulation Section 1.338(h)(10)-1 and comparable provisions of applicable state and local Tax Laws.

ARTICLE VI.

INDEMNIFICATION

6.01 Release of Pre-Spin Off Claims.

(a) Except as provided in Section 6.01(c), effective as of the Spin Off, Newco does hereby, for itself and the Other Subsidiaries, their respective Affiliates (other than the Company and the U.S. Government Subsidiaries), successors and assigns, remise, release and forever discharge the Company and the U.S. Government Subsidiaries, their respective Affiliates (other than Newco and the Other Subsidiaries) and each of the respective officers, directors, employees, agents and advisors of any of the foregoing, and each of their heirs, executors, successors and assigns from any and all liabilities or obligations whatsoever, whether at law or in equity (including any right of contribution), whether arising under any contract or agreement, by operation of law, or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur, or any conditions existing or alleged to have existed on or before the Spin Off, including in connection with the transactions and all other activities to implement the Contribution, the Sale and the Spin Off.

(b) Except as provided in Section 6.01(c), effective as of the Spin Off, the Company does hereby, for itself and the U.S. Government Subsidiaries, their respective Affiliates (other than Newco and the Other Subsidiaries) and each of the respective officers, directors, employees, agents and advisors of any of the foregoing, and each of their heirs, executors, successors and assigns, remise, release and forever discharge Newco and the Other Subsidiaries, their respective Affiliates (other than the Company and the U.S. Government Subsidiaries), successors and assigns from any and all liabilities or obligations whatsoever, whether at law or in equity (including any right of contribution), whether arising under any contract or agreement, by operation of law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur, or any conditions existing or alleged to have existed on or before the Spin Off, including in connection with the transactions and all other activities to implement the Contribution, the Sale and the Spin Off.

(c) Nothing contained in Section 6.01(a) or 6.01(b) shall impair any right of any Person to enforce this Agreement, the Merger Agreement or any other Ancillary Agreement. Nothing contained in Section 6.01(a) or 6.01(b) shall release any Person from:

(i) any liability or obligation, contingent or otherwise, assumed, transferred, assigned or allocated to such Person in accordance with, or any other liability or obligation of such Person under, this Agreement, the Merger Agreement or any other Ancillary Agreement;

(ii) any liability or obligation that the Parties may have with respect to indemnification pursuant to this Agreement, the Merger Agreement, or any Ancillary Agreements, including for claims brought against the Parties by third Persons, which liability shall be governed by the provisions of Section 5.06 and this Article VI and, if applicable, the appropriate provisions of the Merger Agreement or any other Ancillary Agreement; or

(iii) any liability or obligation the release of which would result in the release of any Person other than a Person released pursuant to this Section 6.01.

(d) Newco shall not make, and shall not permit the Other Subsidiaries to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or indemnification, against the Company or the U.S. Government Subsidiaries, or any other Person released pursuant to Section 6.01(a), with respect to any liabilities released pursuant to Section 6.01(a). The Company shall not, and shall not permit the U.S. Government Subsidiaries to, make any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or indemnification against Newco or the Other Subsidiaries, or any other Person released pursuant to Section 6.01(b), with respect to any liabilities released pursuant to Section 6.01(b).

(e) At any time, at the request of any other Party, each Party shall, or shall cause its Subsidiaries to, execute and deliver releases reflecting the provisions of this Section 6.01.

**6.02 Indemnification by the Company.** Subject to the terms and conditions of this Agreement, from and after the Closing, the Company shall defend, indemnify and hold the Newco Indemnified Parties harmless from and against all Losses arising out of or related to (i) an Excluded Liability, (ii) any breach of any representation or warranty of the Company in Section 3.01 as of the date hereof or as of the Closing Date, (iii) any failure of the Company to perform or to cause the U.S. Government Subsidiaries to perform any covenant or agreement of the Company or the U.S. Government Subsidiaries under this Agreement or the Employee Matters Agreement in all material respects, and (iv) the defense of any claims by, arising out of, or related to, coverage of the Company Employees under the Newco Plans (as defined in the Employee Matters Agreement) or the Company Plans; provided that the Company shall not be obligated to defend, indemnify or hold the Newco Indemnified Parties harmless from and against any Taxes under this Section 6.02 to the extent that both (i) such Taxes constitute Pre-Closing Taxes (as defined in the Merger Agreement) and (ii) the amount of such Taxes exceeds the sum of (A) the amount then available in the Indemnification Escrow Account to indemnify the Buyer Indemnified Parties (as defined in the Merger Agreement) for such Taxes, (B) the amount of the Indemnification Sub-Limit (as defined in the Merger Agreement) then available to indemnify the Buyer Indemnified Parties for such Taxes, (C) the amount for which the Buyer Indemnified Parties have already been indemnified pursuant to the Merger Agreement for such Taxes, (D) the

amount of such Taxes that were included in the determination of the Final Pre-Closing Taxes (as defined in the Merger Agreement) and (E) the amount of such Taxes that were reflected in the Closing Date Working Capital included in the determination of the Final Working Capital Adjustment, the Final Closing Date Indebtedness or the Final Restricted Cash Shortfall (in each case, as defined in the Merger Agreement).

6.03 Indemnification by Newco. Subject to the terms and conditions of this Agreement, from and after the Closing, Newco shall defend, indemnify and hold the Company Indemnified Parties harmless from and against all Losses arising out of or related to (i) an Assumed Liability, (ii) any breach of any representation or warranty of Newco, Newco LLC, Newco 2 or Newco 3 in Section 3.02 as of the date hereof or as of the Closing Date, (iii) any failure of Newco, Newco LLC, Newco 2 or Newco 3 to perform or to cause the Other Subsidiaries to perform any covenant or agreement of Newco, Newco LLC, Newco 2, Newco 3 or the Other Subsidiaries under this Agreement or the Employee Matters Agreement in all material respects, (iv) the defense of any claims by, arising out of, or related to, coverage of the Newco Employees under the Company Plans or the Newco Plans, (v) the pre-Closing business or operations of Booz Allen & Hamilton Uruguay Sociedad Civil, and (vi) the issuance (other than pursuant to and in accordance with Section 2.04 or Exhibit D) of (x) Equity Interests of Newco, (y) securities convertible into or exercisable or exchangeable for Equity Interests or Newco or (z) options, warrants or other rights to acquire from Newco, or obligations of Newco to issue, any Equity Interests of Newco or securities or other rights convertible into or exercisable for Equity Interests of Newco.

6.04 Indemnification Procedures. Claims for indemnification under this Agreement shall be asserted and resolved as follows:

(a) Any Newco Indemnified Party or Company Indemnified Party claiming indemnification under this Agreement (the "Indemnified Party") with respect to any Action asserted against the Indemnified Party by a third-party ("Third Party Action") in respect of any matter that may be subject to indemnification under Section 6.02 or 6.03 shall promptly (i) notify the other Party (the "Indemnifying Party") of the Third Party Action, and (ii) transmit to the Indemnifying Party a written notice ("Action Notice") describing in reasonable detail the nature of the Third Party Action, a copy of all court papers served with respect to such claim (if any), the Indemnified Party's good faith estimate of the amount of Losses that are or may be attributable to the Third Party Action, and the basis of the Indemnified Party's request for indemnification under this Agreement. Failure to timely provide such Action Notice shall not affect the right of the Indemnified Party to indemnification hereunder, except to the extent the Indemnifying Party is prejudiced by such delay or omission.

(b) The Indemnifying Party shall have the right to defend the Indemnified Party against such Third Party Action so long as (i) the Indemnifying Party acknowledges in writing its obligation to indemnify the Indemnified Party for Losses related to such Third Party Action or (ii) the Indemnifying Party agrees to bear the cost of one separate counsel to the Indemnified Party, who shall be entitled to participate in (but shall not have the right to control) the defense of such Third Party Action. If the Indemnifying Party has the right to and the Indemnifying Party notifies the Indemnified Party that the Indemnifying Party elects to assume the defense of the Third Party Action, then the Indemnifying Party shall have the right to defend

such Third Party Action with counsel selected by the Indemnifying Party, at the sole cost and expense of the Indemnifying Party, provided that counsel for the Indemnifying Party who shall conduct the defense of such Third Party Action shall be reasonably satisfactory to the Indemnified Party, and the Indemnified Party may participate in (but not control) such defense at its expense; provided, however, that if (x) the Indemnifying Party agrees to do so pursuant to clause (ii) above or (y) the Indemnified Party reasonably concludes upon the advice of counsel that there exists one or more defenses or counterclaims available to the Indemnified Party that are inconsistent with one or more of those that may be available to the Indemnifying Party in respect of such Third Party Action, the Indemnifying Party shall (solely to the extent the Indemnified Party is actually entitled to indemnification in respect of such Third Party Action hereunder) bear the cost of one counsel with respect to such Third Party Action. The Indemnifying Party shall have control of such defense and proceedings, including any compromise or settlement thereof; provided that the Indemnifying Party shall not enter into any settlement agreement without the prior written consent of the Indemnified Party (which consent shall not be unreasonably withheld, conditioned, or delayed); provided, further, that such consent shall not be required if (i) the settlement agreement contains a complete, irrevocable and unconditional release by all claimants asserting the claim from all liability to all Indemnified Parties affected by the claim, (ii) the settlement agreement does not contain any sanction, restriction or other injunctive or non-monetary relief affecting the Indemnified Party or its Affiliates and (iii) the Indemnifying Party has acknowledged its obligation for the applicable Losses. If requested by the Indemnifying Party, the Indemnified Party agrees, at the sole cost and expense of the Indemnifying Party, to cooperate with the Indemnifying Party and its counsel in contesting any Third Party Action which the Indemnifying Party elects to contest.

(c) If the Indemnifying Party fails to notify the Indemnified Party within fifteen (15) days after receipt of any Action Notice that the Indemnifying Party elects to defend the Indemnified Party pursuant to Section 6.04(b), then the Indemnified Party shall have the right to defend, and be reimbursed by the Indemnifying Party for its reasonable cost and expense (but only if the Indemnified Party is actually entitled to indemnification in respect of such Third Party Action hereunder), the Third Party Action by all appropriate proceedings, which proceedings shall be prosecuted diligently by the Indemnified Party to a final conclusion or settlement. The Indemnified Party shall have control of such defense and proceedings; provided, however, that the Indemnified Party may not enter into any compromise or settlement of such Third Party Action, if indemnification is to be sought hereunder, without the Indemnifying Party's consent (which consent shall not be unreasonably withheld, conditioned or delayed). The Indemnifying Party may participate in, but not control, any defense or settlement controlled by the Indemnified Party pursuant to this Section 6.04(c), and the Indemnifying Party shall bear its own costs and expenses with respect to such participation.

(d) A claim by any Indemnified Party for indemnification for any matter not involving a Third Party Action must be asserted by prompt written notice to the Indemnifying Party, such notice to describe in reasonable detail the nature of the claim and the Indemnified Party's good faith estimate of the amount of Losses attributable to the claim and the basis of the Indemnified Party's request for indemnification under this Agreement. Failure to timely provide such notice shall not affect the right of the Indemnified Party's indemnification hereunder, except to the extent the Indemnifying Party is materially prejudiced by such delay or omission. As promptly as possible after the Indemnified Party has given such notice, such Indemnified

Party and the Indemnifying Party shall establish the merits and amount of such claim (by mutual agreement, litigation or otherwise) and, within two (2) Business Days of the final determination of the merits and amount of such claim, the Indemnifying Party shall pay to the Indemnified Party an amount equal to such claim, as determined hereunder.

(e) The indemnification procedures set forth in Sections 6.04(a) — (d) shall not apply to an indemnification claim pursuant to Section 5.06 of this Agreement.

(f) In the event an Indemnified Party shall recover Losses in respect of a claim of indemnification under this Article VI, no other Indemnified Party shall be entitled to recover the same Losses in respect of a claim for indemnification.

(g) From and after the delivery of an Action Notice under this Agreement, at the reasonable request of the Indemnifying Party, each Indemnified Party shall grant the Indemnifying Party and its officers, directors, employees, consultants, agents, advisors, affiliates and other representatives all reasonable access to the books, records, employees and properties of such Indemnified Party to the extent reasonably related to the matters to which the Action Notice relates. All such access shall be granted during normal business hours and shall be granted under the conditions which shall not unreasonably interfere with the business and operations of such Indemnified Party.

#### 6.05 Computation of Indemnifiable Losses.

(a) Any amount payable pursuant to this Article VI shall be: (i) decreased to the extent of any third-party insurance proceeds received by the Indemnified Party in respect of an indemnifiable Loss, (ii) reduced to take into account any Tax benefit actually realized by the Indemnified Party in the year of the indemnity payment or any earlier year that arises from the incurrence or payment of any such Loss and increased to take into account any Tax detriment actually suffered by the Indemnified Party that arises from the receipt of such amount payable or the incurrence or payment of any such Loss, and (iii) reduced by any recoveries from third Persons pursuant to indemnification or otherwise in respect thereto.

(b) The amount of indemnification to which a Indemnified Party shall be entitled under this Article VI shall be determined by: (i) the written agreement between the Indemnified Party and the Indemnifying Party, (ii) a judgment or decree of any court of competent jurisdiction, or (iii) any other means to which the Indemnified Party and the Indemnifying Party shall agree.

(c) In any case where an Indemnified Party recovers from third Persons any amount (other than any amounts deducted pursuant to Section 6.05(a)) in respect of a matter with respect to which such Indemnified Party has received payment satisfying in full all Losses arising from any and all matters subject to indemnification hereunder, such Indemnified Party shall promptly pay over to the Indemnifying Party the amount so recovered, to the extent such amount exceeds the aggregate amount of all Losses arising from matters subject to indemnification hereunder (after deducting therefrom the full amount of the expenses incurred by it in procuring such recovery), but not in excess of any amount previously received by the Indemnified Party in respect of such matter.

6.06 Mitigation of Damages. An Indemnified Party shall, to the extent practicable and reasonably within its control and at the expense of the Indemnifying Party, make commercially reasonable efforts to mitigate any Losses of which it has adequate notice; provided that the Indemnified Party shall not be obligated to act in contravention of applicable law or in contravention of reasonable and customary practices of such Indemnified Party.

ARTICLE VII.

MISCELLANEOUS

7.01 Amendment. This Agreement may not be amended or modified in any respect except by a written agreement signed by the Parties hereto with the prior written consent of Buyer Parent.

7.02 Waiver of Compliance. Except as otherwise provided in this Agreement, the failure by any Party to comply with any obligation, covenant, agreement or condition under this Agreement may be waived by the Party entitled to the benefit thereof only by a written instrument signed by the Party granting such waiver and by Buyer Parent, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. The failure of any Party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision, nor in any way to affect the validity of this Agreement or any part hereof or the right of any Party thereafter to enforce each and every such provision. No waiver of any breach of such provisions shall be held to be a waiver of any other or subsequent breach.

7.03 Survival. Each of the covenants and agreements contained in this Agreement shall survive the Closing Date and continue in full force and effect in accordance with its terms, but is subject to all applicable statutes of limitation, statutes of repose and other similar defenses provided in law or equity.

7.04 Notices. All notices required or permitted pursuant to this Agreement shall be in writing (including facsimile or similar writing) and shall be deemed to be properly given (a) if given by facsimile, when the facsimile is transmitted to the facsimile number specified in this Section and the appropriate facsimile confirmation is received, or (b) if given by overnight courier or personal delivery, when delivered at the address stated below, or at such other address as a Party may provide by notice to the other Parties:

COMPANY (PRIOR TO CLOSING)

Booz Allen Hamilton Inc.  
8283 Greensboro Drive  
McLean, VA 22012  
Attention: Law Department  
Facsimile No.: (703) 902-3580

with a copy to (which copy shall not be deemed to be notice to the Company):



Latham & Watkins LLP  
885 Third Avenue  
New York, NY 10022  
Attention: Barry Bryer  
David I. Brown  
Facsimile No.: (212) 751-4864

COMPANY (POST-CLOSING).

Booz Allen Hamilton Inc.  
8283 Greensboro Drive  
McLean, VA 22012  
Attention: Law Department  
Facsimile No.: (703) 902-3580

with a copy to (which copy shall not be deemed to be notice to the Company):

Debevoise & Plimpton LLP  
919 Third Avenue  
New York, NY 10022  
Attention: Jeffrey J. Rosen  
Facsimile No.: (212) 909-6836

NEWCO; NEWCO LLC; NEWCO 2; NEWCO 3

Booz & Company Inc.  
101 Park Avenue  
New York, NY 10178  
Attention: Law Department  
Facsimile No.: (212) 551-6562

with a copy to (which copy shall not be deemed to be notice to Newco):

Latham & Watkins LLP  
885 Third Avenue  
New York, NY 10022  
Attention: Barry Bryer  
David I. Brown  
David A. Kurzweil  
Facsimile No.: (212) 751-4864

7.05 Exhibits and Schedules; Incorporation by Reference. The exhibits and schedules attached to this Agreement, each when executed and/or delivered, are incorporated by reference into and made a part of this Agreement.

7.06 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto, as applicable, and their respective successors and permitted assigns. The Parties may not assign this Agreement, or any of their rights or liabilities hereunder (whether by operation of law or otherwise), without the prior written consent of the other Parties hereto; provided, however, that a Party may assign (including by way of a pledge) to its lenders or other financing sources any or all of its rights hereunder (including its rights to seek indemnification hereunder) as collateral security (in either case, which assignment shall not relieve such assigning Party of its obligations hereunder). Any such assignment shall not relieve the Party making the assignment from any liability under this Agreement.

7.07 Third Party Beneficiaries. Notwithstanding anything contained in this Agreement to the contrary, except that the Newco Indemnified Parties and Company Indemnified Parties shall be third party beneficiaries of Article VI, Buyer Parent shall be a third party beneficiary of Sections 2.03(a), 2.05(c), 2.05(e), 2.05(f), 4.07(c), 7.01 and 7.02, and the Government Shareholders shall be third party beneficiaries of Sections 2.03(i), 2.04(b) and 2.04(c), nothing in this Agreement, expressed or implied, is intended to confer on any Person other than the Parties hereto or their respective successors and assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement.

7.08 Entire Agreement. This Agreement and the Ancillary Agreements constitute the entire agreement between the Parties hereto with respect to the subject matter hereof and thereof and shall supersede all previous negotiations, commitments, agreements and understandings (both oral and written) with respect to such subject matter.

7.09 Severability. The illegality or partial illegality of any or all of this Agreement or any provision hereof shall not affect the validity of the remainder of this Agreement, or any provision hereof, and the illegality or partial illegality of this Agreement shall not affect the validity of this Agreement in any jurisdiction in which such determination of illegality or partial illegality has not been made, except in either case to the extent such illegality or partial illegality causes this Agreement to no longer contain all of the material provisions reasonably expected by the Parties to be contained therein. Upon a determination that any term or other provision of this Agreement is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that this Agreement is fulfilled as originally contemplated to the fullest extent possible.

7.10 Captions. The captions appearing in this Agreement are inserted only as a matter of convenience and as a reference and in no way define, limit or describe the scope or intent of this Agreement or any of the provisions hereof. In this Agreement (i) words denoting the singular include the plural and vice versa, (ii) "it" or "its" or words denoting any gender include all genders, (iii) the words "including", "includes" and "include" shall be deemed to be followed by the words "without limitation," whether or not expressed, (iv) any reference in this Agreement to a Section, Article, Exhibit or Schedule refers to a Section or Article of or an Exhibit or Schedule to this Agreement, unless otherwise stated, (v) when calculating the period of time within or following which any act is to be done or steps taken, the date which is the reference day in calculating such period shall be excluded and if the last day of such period is not a Business Day, then the period shall end on the next day which is a Business Day, (vi) the

words “shall” and “will” have the same meaning, and (vii) “hereof”, “herein”, “hereto” and “hereunder” and words of similar import shall refer to an agreement as a whole and not to any particular provision of such agreement. References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof. References to any Person include the successors and permitted assigns of that Person.

7.11 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one agreement. This Agreement shall become effective when each Party hereto shall have received a counterpart hereof signed by the other Parties hereto. Until and unless each Party has received a counterpart hereof signed by the other Parties, this Agreement shall have no effect and no Party shall have any right or obligation hereunder (whether by virtue of any other oral or written agreement or other communication).

7.12 Governing Law; Jurisdiction.

(a) This Agreement and all matters arising in connection herewith shall be governed by and construed in accordance with the laws of the State of Delaware, whether common law or statutory, without reference to the choice of law provisions thereof that would cause the application of the law of another jurisdiction.

(b) The Parties agree that the appropriate, exclusive and convenient forum for any disputes between any of the Parties arising out of this Agreement or the transactions contemplated hereby, shall be in any state or federal court in Wilmington, Delaware, and each of the Parties irrevocably submits to the jurisdiction of such courts solely in respect of any Action arising out of or related to this Agreement. The Parties further agree that the Parties shall not bring suit with respect to any disputes arising out of this Agreement or the transactions contemplated hereby in any court or jurisdiction other than the above specified courts; provided, however, that the foregoing shall not limit the rights of the Parties to obtain execution of judgment in any other jurisdiction.

(c) THE PARTIES AGREE THAT THEY HEREBY IRREVOCABLY WAIVE AND AGREE TO CAUSE THEIR RESPECTIVE SUBSIDIARIES TO WAIVE, THE RIGHT TO TRIAL BY JURY IN ANY ACTION TO ENFORCE OR INTERPRET THE PROVISIONS OF THIS AGREEMENT.

7.13 Specific Performance. Each Party hereby acknowledges and agrees that remedies at law for any breach or threatened breach of Sections 2.05(c)-(e), 4.06, 4.09, 4.10 or 4.11, including monetary damages, are inadequate compensation for any loss that the other Party would suffer in such event and each Party hereby waives any defense in any action for specific performance brought by the other Party to the effect that a remedy at law would be an adequate remedy for such breach or threatened breach. Accordingly, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of Sections 2.05(c)-(e), 4.06, 4.09, 4.10 or 4.11, each Party shall have the right to specific performance and injunctive or other equitable relief of its rights under such Section, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be

cumulative. Any requirements for the securing or posting of any bond with such remedy are waived. The rights contained in this Section 7.13 shall not be limited or prejudiced in any way by any provisions contained herein relating to monetary damages.

*[Remainder of page intentionally left blank.]*

IN WITNESS WHEREOF, each of the signatories hereto has caused this Agreement to be signed by their respective duly authorized officers as of the date first above written.

BOOZ ALLEN HAMILTON INC.

By: /s/ Ralph W. Shrader  
Name: Ralph W. Shrader  
Title: Chairman and Chief Executive Officer

BOOZ & COMPANY HOLDINGS, LLC

By BOOZ ALLEN HAMILTON INC.,  
its Sole Member

By: /s/ Ralph W. Shrader  
Name: Ralph W. Shrader  
Title: Chairman and Chief Executive Officer

BOOZ & COMPANY INC.

By: /s/ Shurmeet Banerji  
Name: Shurmeet Banerji  
Title: Chief Executive Officer

BOOZ & COMPANY INTERMEDIATE I INC.

By: /s/ Shurmeet Banerji  
Name: Shurmeet Banerji  
Title: Chief Executive Officer

BOOZ & COMPANY INTERMEDIATE II INC.

By: /s/ Shurmeet Banerji  
Name: Shurmeet Banerji  
Title: Chief Executive Officer

**AMENDMENT TO  
THE AGREEMENT AND PLAN OF MERGER  
AND THE SPIN OFF AGREEMENT**

THIS AMENDMENT TO THE AGREEMENT AND PLAN OF MERGER AND THE SPIN OFF AGREEMENT, dated as of July 30, 2008 (this "Amendment"), is made by and among Booz Allen Hamilton Inc., a Delaware corporation (the "Company"), Explorer Holding Corporation, a Delaware corporation ("Buyer Parent"), Explorer Investor Corporation, a Delaware corporation wholly owned by Buyer Parent ("Buyer"), Explorer Merger Sub Corporation, a Delaware corporation wholly owned by Buyer ("Merger Sub"), Booz & Company Holdings, LLC, a Delaware limited liability company and a wholly owned subsidiary of the Company ("Newco LLC"), Booz & Company Inc., a Delaware corporation and a wholly owned subsidiary of the Company ("Newco"), Booz & Company Intermediate I Inc., a Delaware corporation and a wholly owned subsidiary of Newco ("Newco 2"), and Booz & Company Intermediate II Inc., a Delaware corporation and a wholly owned subsidiary of Newco 2 ("Newco 3") and together with the Company, Buyer Parent, Buyer, Merger Sub, Newco LLC, Newco and Newco 2, each, a "Party" and together, the "Parties"). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Merger Agreement (as defined below).

WHEREAS, the Company, Buyer Parent, Buyer, Merger Sub and Newco are parties to that certain Agreement and Plan of Merger, dated as of May 15, 2008 (the "Merger Agreement"), and the Company, Newco, Newco LLC, Newco 2 and Newco 3 are parties to that certain Spin Off Agreement, dated as of May 15, 2008 (the "Spin Off Agreement");

WHEREAS, the parties to the Merger Agreement desire to amend the terms and conditions of the Merger Agreement and the parties to the Spin Off Agreement desire to amend the terms and conditions of the Spin Off Agreement, each as set forth herein;

WHEREAS, the boards of directors of each of Merger Sub and the Company have approved this amendment to the Merger Agreement in accordance with Section 251(d) of the Delaware General Corporation Law; and

WHEREAS, Section 7.01 of the Spin Off Agreement requires the prior written consent of Buyer Parent to any amendment of the Spin Off Agreement.

NOW, THEREFORE, in consideration of the premises, and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the Parties hereby agree as follows (which agreement includes Buyer Parent's consent to the following amendments to the Spin Off Agreement):

---

### **U.S. Government Subsidiaries**

1. The first recital of the Spin Off Agreement is hereby amended to delete references to Booz Allen & Hamilton Uruguay Sociedad Civil, a company organized in Uruguay, PAR Technology de Venezuela, S.R.L., a company organized in Venezuela, Applied Research de Venezuela, S.R.L., a company organized in Venezuela, and Business Operations Research de Venezuela S.R.L., a company organized in Venezuela. Accordingly the definition of "U.S. Government Subsidiaries" is amended in the Spin Off Agreement so as to exclude therefrom Booz Allen & Hamilton Uruguay Sociedad Civil, PAR Technology de Venezuela, S.R.L., Applied Research de Venezuela, S.R.L., and Business Operations Research de Venezuela S.R.L.
2. The first recital of the Merger Agreement is hereby amended to delete references to PAR Technology de Venezuela, S.R.L., a company organized in Venezuela, Applied Research de Venezuela, S.R.L., a company organized in Venezuela, and Business Operations Research de Venezuela S.R.L., a company organized in Venezuela. Accordingly the definition of "U.S. Government Subsidiaries" in the Merger Agreement is amended so as to exclude therefrom PAR Technology de Venezuela, S.R.L., Applied Research de Venezuela, S.R.L., and Business Operations Research de Venezuela S.R.L.

### **Capitalization**

3. The second sentence of Section 4.5(a) of the Merger Agreement is hereby deleted and the following text is inserted in its place:

As of the date hereof, (i) 1,318,192 Company Common Shares, 409,614 Company Class A Non-Voting Common Shares, 878,272 Company Class B Common Shares and 37,320 Company Class B Non-Voting Common Shares were issued and outstanding, all of which have been duly authorized and validly issued and are fully paid and nonassessable and (ii) no Company Common Shares, no Company Class A Non-Voting Common Shares, no Company Class B Common Shares and no Company Class B Non-Voting Common Shares were held by the Company in treasury.

4. The second sentence of Section 2.03(a) of the Spin Off Agreement is hereby deleted and the following text is inserted in its place:

The purchase price for the Sale shall be 2,780,798 shares of Newco Common Stock, 2,780,798 shares of Newco Non-Voting Common Stock, and 1,000 shares of Series A Non-Voting Preferred Stock to be transferred to the Company by Newco 3 (the "Purchase Price").

### **Shareholder Litigation**

5. The Parties hereby agree that, for purposes of Article 9 of the Merger Agreement, the specific legal claims by: (i) Joseph Nemec set forth in the complaint filed against Ralph W. Shrader, C.G. Appleby, Gary D. Ahlquist, Shumeet Banerji, Peter Bertone, Martin J.

Bollinger, Christian Burger, Francis J. Henry, Lloyd W. Howell, Jr., William C. Jackson, Christopher M. Kelly, Pamela M. Lentz, Joseph W. Mahaffee, John D. Mayer, Helmut Meier, Patrick F. Peck, Joe Saggi, Eric A. Spiegel, Steven B. Wheeler and the Company, filed with the Court of Chancery of the State of Delaware on July 3, 2008 (the "Nemec Claims") and (ii) Paul Kocourek set forth in the draft complaint against the Company attached to the letter, dated July 25, 2008, from Wayne N. Outten to Everett C. Johnson, Jr. (the "Kocourek Claims"), and in each case any potential Losses arising therefrom, do not represent a failure of any closing condition to be satisfied.

6. The Parties hereby agree that, as of the Effective Time, the Nemec Claims and Kocourek Claims shall be claims asserted against the Buyer Indemnified Parties by a Third Party as contemplated by Article 11 of the Merger Agreement, and that this Amendment shall serve as a Claim Notice for the Nemec Claims and the Kocourek Claims. The Seller Representative hereby acknowledges in writing its obligation (solely through the Indemnification Escrow Funds and as an offset against the Deferred Obligation Amount) to indemnify the Buyer Indemnified Parties for Losses and the costs and expenses arising from or related to (i) the Nemec Claims, (ii) the Kocourek Claims or (iii) any other current or former holders of Equity Interests, including, without limitation, shadow stock interests, in the Company alleging they are entitled to amounts in respect of such Equity Interests that are greater than the aggregate amount paid to such current or former holder (together with the Nemec Claims and Kocourek Claims, the "Shareholders Claims"), in each case, including the defense thereof.

7. Section 1.62 of the Spin Off Agreement is hereby amended to replace clause (b) thereof with the following:

(b) all Losses (as defined in the Merger Agreement) arising out of the Shareholders Claims (as defined in the Amendment to the Agreement and Plan of Merger and the Spin Off Agreement, dated July 30, 2008); provided, however, that no such Losses arising out of the Shareholders Claims shall constitute Excluded Liabilities as a result of this clause (b) to the extent so treating such Losses would result in Buyer Parent, Buyer, Merger Sub or the Company bearing or otherwise incurring such Losses in an amount in excess of amounts (x) for which any Buyer Indemnified Party has been or will be indemnified or protected by payment out of the Working Capital Escrow Account or the Indemnification Escrow Funds or by inclusion in the Settled Claims Amount (each as defined in the Merger Agreement) as a satisfied claim or (y) except to the extent Buyer failed to receive the full amount of the aggregate consideration adjustments to which it was entitled under Section 3.7 of the Merger Agreement, reflected in the calculation of the Final Working Capital Adjustment (as defined in the Merger Agreement);

SPV



8. Section 1.05 of the Spin Off Agreement is hereby amended to insert the following sentence at the end thereof:

For the avoidance of doubt, and notwithstanding anything to the contrary herein, the SPV shall not be considered an Affiliate of Newco, Newco LLC, Newco 2 or Newco 3.

9. Section 1.17 of the Spin Off Agreement is hereby amended to insert “, SPV” after the first use of the word “Newco” and to insert “and its Affiliates” at the end thereof.

10. The fourth sentence of Section 2.05(c) of the Spin Off Agreement is hereby amended to delete the words “at all times” after the words “there to be”.

11. The fifth sentence of Section 4.10(a) of the Spin Off Agreement is hereby amended to insert “(and, in the case of the Branding Agreement, the SPV)” after the word “Newco”.

12. The last sentence of Section 4.10(a) of the Spin Off Agreement is hereby amended to insert “(and, in the case of the Branding Agreement, the SPV)” after the words “either Party”.

**Guarantees; Letters of Credit**

13. Section 4.08 of the Spin Off Agreement is hereby amended to insert the following sentence at the end thereof:

In addition to the indemnification set forth in this Section 4.08, the Company shall as promptly as practical after the Closing replace or cause to be terminated any Other Business Guarantees that were cash collateralized by Newco at or prior to the Closing to permit such cash collateral to be returned to Newco without any further liabilities or obligations on the part of Newco or any Other Subsidiary thereunder.

14. For the avoidance of doubt, the parties to the Merger Agreement hereby acknowledge and agree that the cash collateral referred to in paragraph 13 above shall not be included in the calculation of Restricted Cash for purposes of the Merger Agreement.

**Amendment to Recharge Agreements**

15. The last sentence of Section 6.9 of the Merger Agreement is hereby amended to delete “amend” and insert “take such actions with regard to” in its place.

**German Pension Plan Matters**

16. Section 4.13 of the Spin Off Agreement is hereby amended to insert the following text at the end thereof:

; provided further that Booz Allen Hamilton GmbH (Germany) shall be entitled to invest the \$50,000,000 described in clause (i) in one or more short term investment accounts (that would not be considered a manner appropriate under German law to fund the liabilities of the defined pension plans of Booz Allen Hamilton GmbH (Germany)) for up to ninety (90) days after the Closing but shall not during such period use such funds for any purpose other than funding the liabilities of the defined benefit pension plans of Booz Allen Hamilton GmbH (Germany) and, prior to or upon the expiration of such ninety (90) day period, such funds shall be set aside in accordance with clause (i) of this Section 4.13.

**Aggregate Consideration Adjustments**

17. Notwithstanding anything to the contrary in the Merger Agreement or the Spin Off Agreement, or in any certificates or notices delivered between the parties prior to the date hereof, the parties agree to the following:

(a) The Estimated Closing Date Indebtedness is \$245,000,000;

(b) The Estimated Working Capital Adjustment is \$-45,319,049.13;

(c) The Estimated Restricted Cash Shortfall is \$97,483,321.59;

(d) The Estimated Pre-Closing Taxes is \$18,616,609.97;

(e) The Estimated NAV Transfer Amount is \$14,612,000;

(f) \$6,118,414 of the Indemnification Available Excluded Deductions will be used to reduce the Undisputed PLR Amount pursuant to Section 3.9 of the Merger Agreement such that the Undisputed PLR Amount is \$18,206,997; and

(g) Subject to the proviso in Section 3.3(a) of the Merger Agreement, the Full Cash Amount is \$763.47.

18. Section 3.7(a) of the Merger Agreement is hereby amended to delete the following text:

and shall include a copy of the Valuation Opinion referred to in Section 10.6,

19. The first sentence of Section 3.7(b) of the Merger Agreement is hereby deleted and the following text is inserted in its place:

Within one hundred eighty (180) days following the Closing, the Surviving Corporation shall prepare and deliver to the Seller Representative a statement setting forth the Surviving

Corporation's calculation of (i) the Closing Date Indebtedness, (ii) the Restricted Cash Shortfall and (iii) the Pre-Closing Taxes.

20. The last sentence of Section 3.7(b) of the Merger Agreement is hereby deleted and the following text is inserted in its place:

During such one hundred eighty (180)-day period, Seller Representative shall provide the Surviving Corporation reasonable access to the Seller Representative's personnel, auditors, properties, and records relevant to the calculation of the Closing Date Indebtedness and the Restricted Cash Shortfall (subject to the execution of customary work paper access letters if requested).

21. The first sentence of Section 3.7(c) of the Merger Agreement is hereby deleted and the following text is inserted in its place:

Within one hundred eighty (180) days following the Closing, Surviving Corporation shall prepare and deliver to Seller Representative a statement setting forth the Surviving Corporation's calculation of the Working Capital Adjustment.

22. Section 2.03(c) of the Spin Off Agreement is hereby deleted and the following text is inserted in its place:

Within 180 calendar days following the Closing, Newco shall prepare and deliver to the Company a statement (the "Newco Statement") setting forth Newco's calculation of the NAV Transfer Amount. During such 180-day period, the Company shall provide Newco reasonable access to the Company's personnel, auditors, properties and records relevant to the calculation of the NAV Transfer Amount (subject to the execution of customary work paper access letters if requested).

**Registration with the Directorate of Defense Trade Controls**

23. The last sentence of Section 4.11(a) of the Spin Off Agreement is hereby deleted in its entirety.

**Newco Share Certificates**

24. Clause (ii) of Section 2.1(b) of the Merger Agreement is hereby deleted and the following text is inserted in its place:

(ii) issuing in book-entry format for the benefit of the Company Stockholders as of the record date established for the Spin Off by the Board of Directors of the Company, which date shall be prior to the Exchange Date (the "Record Date"), that number of Newco Shares to be distributed in the Spin Off

25. Clause (iii) of the first sentence of Section 3.4(a) of the Merger Agreement is hereby deleted in its entirety.
26. Section 3.5(a) of the Merger Agreement is hereby deleted in its entirety and the following text is inserted in its place:
- (a) [Intentionally Omitted]

**Capitalization of Buyer Entities**

27. Prior to the Effective Time, (i) Merger Sub will repurchase and retire 900 shares of common stock of Merger Sub from Buyer at a price no greater than the issuance price thereof so that, as of the Effective Time, one hundred (100) shares of Merger Sub shall be issued and outstanding, (ii) Guarantor shall contribute 1,000 shares of Buyer Parent to Explorer Coinvest LLC, a Delaware limited liability company and an affiliate of Guarantor (“Coinvest”), and (iii) Coinvest shall issue up to ten percent (10%) of its membership interests to certain non-affiliates of Guarantor. The parties to the Merger Agreement hereby agree that the actions described in the preceding sentence shall not represent a violation of the representations and warranties set forth in Section 5.6 of the Merger Agreement or a failure of any closing condition set forth in Article 9 of the Merger Agreement to be satisfied.

**Valuation of Newco**

28. The parties to the Merger Agreement hereby acknowledge and agree that the valuation for Newco assumed by the Company in its calculation of the Estimated Pre-Closing Taxes delivered to Buyer Parent, Buyer and Merger Sub on July 17, 2008 (the “Newco Valuation”) was \$95 million. Nothing contained in this paragraph or paragraph 29 hereof shall be considered a waiver by Buyer Parent, Buyer or Merger Sub of any of their rights to challenge or object to the Newco Valuation or any aspect of the Valuation Opinion.

29. The Company hereby represents and warrants to Buyer Parent, Buyer and Merger Sub that valuation range for Newco set forth in the Valuation Opinion was \$74,700,000 to \$98,300,000.

**Shared Facilities**

30. Schedule 2.02(b)(iii) of the Spin Off Agreement is hereby amended to insert the following text at the end of Section III thereof:

Moscow, Russia:

License of a portion of Office 28, Building 1, Entrance 3 House 7/5, Bol'shaya Dmitrovka Street, Moscow, Russia from Booz Allen Hamilton Inc. to Newco

San Francisco, CA:

License of a portion of 101 California Street, San Francisco, CA from Booz Allen Hamilton Inc. to Newco

Landlord Consent to License for a portion of 101 California Street, San Francisco, CA

31. The section entitled "License Details" on Schedule 2.02(b)(iii) of the Spin Off Agreement is hereby amended to delete the text "San Francisco plan to sublet entire 33<sup>rd</sup> floor if deal and costs allow; Newco vacate; Govco consolidate on 32<sup>nd</sup> floor" from the note under the table and to insert in its place the following text:

The parties will share the cost and expense of the San Francisco space in the same percentages (53% for Newco and 47% for Govco) which were in effect on June 30, 2008. Newco will license 11,430 square feet for a term commencing August 1, 2008 and expiring on the expiration date of the lease unless the parties agree to an earlier date. If Newco determines that it is economically feasible to move to a different building, Newco's obligations to pay its percentage of the cost and expense of the San Francisco lease will continue at the above ratio. If Newco moves and the licensed space is sublet, then Newco and Govco will share in the costs and expenses and will share in the profits in connection with subleasing the space. If Newco moves and the Landlord recaptures the space licensed to Newco or if Govco moves into the space licensed to Newco, then Newco's obligations will be adjusted accordingly. The parties acknowledge that licensing and subletting is contingent upon the Landlord's approval and that pursuant to the San Francisco lease the Landlord has the right to recapture the space offered for license or sublease.

**Employee Benefits**

32. Schedule 4.11(k) of the Merger Agreement is hereby amended to delete the following text:

Norway – US government employees currently employed by BAH AS (Norway) and entitled to benefits under local Norwegian plans.

- o Sammons, Lloyd
- o Lin, Chien Chun (Jimmy)
- o Erickson, Sarah Taylor

**Tax Matters**

33. The parties to the Merger Agreement wish to clarify certain aspects of and issues relevant to the definition of "Pre-Closing Taxes" in Article 1 of the Merger Agreement and the determination thereof:

(a) Except as described in subparagraph (b) below, all Employment and Withholding Taxes (i) related to, arising out of or in connection with any payments to any Sellers pursuant to the Merger Agreement made in their capacity as Sellers and with respect to their Equity Interests in the Company or (ii) related to, arising out of or in connection with the exercise of any Company Stock Rights after the date of the Merger Agreement and prior to the Effective Time, including those related to, arising out of or in connection with the Acceleration and the Exchanges, shall be treated as Pre-Closing Taxes and, to the extent deductible, as Excluded Deductions.

(b) For purposes of Section 3.7 of the Merger Agreement, any Employment and Withholding Taxes actually deducted pursuant to Section 3.4(g) of the Merger Agreement from the amounts otherwise payable to any Person will, to the extent so deducted, be excluded from the computation of Pre-Closing Taxes.

(c) In determining Pre-Closing Taxes, the rules and regulations relating to foreign tax credits for U.S. federal and applicable state and local income tax purposes should be applied as if the Excluded Deductions, other than the Indemnification Available Excluded Deductions, were not deductible for U.S. federal, or other applicable state or local, income tax purposes.

(d) In determining Pre-Closing Taxes, the Company and its subsidiaries will be deemed to have paid an amount of foreign taxes in respect of pre-Closing periods that yields \$4 million, in the aggregate, of foreign tax credits for U.S. federal and applicable state and local income tax purposes and no other foreign tax credits shall be taken into account.

(e) For the avoidance of doubt, non-U.S. capital gains taxes arising from the Other Businesses, including Chilean and Danish non-resident capital gains taxes, will be treated as non-U.S. Income Taxes that are Assumed Liabilities under the Spin Off Agreement and consequently not as Pre-Closing Taxes.

34. For the avoidance of doubt, all Employment and Withholding Taxes described in paragraph 33(a) hereof shall be treated as an Excluded Liability under the Spin Off Agreement.

35. The Parties hereby confirm that in the determination of Employment and Withholding Taxes for purposes of determining amounts required to be withheld in connection with the transactions contemplated by the Merger Agreement and the Spin Off Agreement, (i) the fair market value of each Company Class A Share received in the Acceleration and (ii) the fair market value of the Buyer Parent Restricted Stock received in the Merger or the Exchanges with respect to Company Stock Rights with an exercise date in 2008 shall include the full per share amount of the Escrow Amount and the face amount of the Deferred Payment Obligation

payable per share. The Parties further confirm that for all subsequent tax reporting purposes, (i) the fair market value of each Company Class A Share received in the Acceleration and (ii) the fair market value of the Buyer Parent Restricted Stock received in the Merger or the Exchanges with respect to Company Stock Rights with an exercise date in 2008 shall include the full per share amount of the Escrow Amount and the face amount of the Deferred Payment Obligation payable per share, provided that, in the event a claim on the Escrow Amount or for a holdback from the Deferred Payment Obligation has been made prior to the time of such determination, the Company shall reasonably determine the amount of any adjustment that should be made to the value of the Escrow Amount or the Deferred Payment Obligation as a result of such claim; and provided, further, that the Company agrees to consult with Newco in good faith prior to making any such determination. Notwithstanding the foregoing, in determining non-U.S. Employment and Withholding Taxes and for non-U.S. tax reporting purposes, this paragraph shall not require that the fair market value of Company Class A Shares or the Buyer Parent Restricted Stock include the Escrow Amount or the Deferred Payment Obligation to the extent that under the applicable law of the pertinent non-U.S. jurisdiction, the Escrow Amount or Deferred Payment Obligation is not required to be so included. The Company shall inform Buyer prior to taking the position with respect to any jurisdiction that the preceding sentence is applicable and shall provide Buyer with a description of the position it intends to take in such jurisdiction and of the basis for its conclusions regarding the legal requirements of such jurisdiction.

**Miscellaneous**

36. Captions. The captions appearing in this Amendment are inserted only as a matter of convenience and as a reference and in no way define, limit or describe the scope or intent of this Amendment or any of the provisions hereof.

37. Counterparts; Effectiveness. This Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one agreement. This Amendment shall become effective when each Party hereto shall have received a counterpart hereof signed by the other Parties hereto. Until and unless each Party has received a counterpart hereof signed by the other Parties, this Amendment shall have no effect and no Party shall have any right or obligation hereunder (whether by virtue of any other oral or written agreement or other communication). Any facsimile copies hereof or signature thereon shall, for all purposes, be deemed originals.

38. Effect on Merger Agreement and Spin Off Agreement.

(a) This Amendment shall be construed in connection with and as part of the Merger Agreement and the Spin Off Agreement, as applicable, and except as modified and expressly amended by this Amendment, all terms, conditions and covenants contained in the Merger Agreement and the Spin Off Agreement are hereby ratified and shall be and remain in full force and effect.

(b) Any and all notices, requests, certificates and other instruments executed and delivered after the execution and delivery of this Amendment may refer to the Merger Agreement and the Spin Off Agreement without making specific reference to this Amendment

but nevertheless all such references shall include this Amendment unless the context otherwise requires.

39. Governing Law; Jurisdiction.

(a) This Amendment and all matters arising in connection herewith shall be governed by and construed in accordance with the laws of the State of Delaware, whether common law or statutory, without reference to the choice of law provisions thereof that would cause the application of the law of another jurisdiction.

(b) The Parties agree that the appropriate, exclusive and convenient forum for any disputes between any of the Parties arising out of this Amendment or the transactions contemplated hereby, shall be in any state or federal court in Wilmington, Delaware, and each of the Parties irrevocably submits to the jurisdiction of such courts solely in respect of any Action arising out of or related to this Amendment. The Parties further agree that the Parties shall not bring suit with respect to any disputes arising out of this Amendment or the transactions contemplated hereby in any court or jurisdiction other than the above specified courts; provided, however, that the foregoing shall not limit the rights of the Parties to obtain execution of judgment in any other jurisdiction.

(c) THE PARTIES AGREE THAT THEY HEREBY IRREVOCABLY WAIVE AND AGREE TO CAUSE THEIR RESPECTIVE SUBSIDIARIES TO WAIVE, THE RIGHT TO TRIAL BY JURY IN ANY ACTION TO ENFORCE OR INTERPRET THE PROVISIONS OF THIS AMENDMENT.

**[Signatures follow]**



IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed on the date first above written.

**BOOZ ALLEN HAMILTON INC.**

By: /s/ CG Appleby  
Name: CG Appleby  
Title: Senior Vice President, Secretary and  
General Counsel

**EXPLORER HOLDING CORPORATION**

By: /s/ Ian Fujiyama  
Name: Ian Fujiyama  
Title: Vice President

**EXPLORER INVESTOR CORPORATION**

By: /s/ Ian Fujiyama  
Name: Ian Fujiyama  
Title: Vice President

**EXPLORER MERGER SUB CORPORATION**

By: /s/ Ian Fujiyama  
Name: Ian Fujiyama  
Title: Vice President

**BOOZ & COMPANY INC.**

By: /s/ S. Anthony Bianco  
Name: S. Anthony Bianco  
Title: Vice President, Secretary and  
General Counsel

**BOOZ & COMPANY HOLDINGS, LLC**

By **BOOZ ALLEN HAMILTON INC.**,  
its Sole Member

By: /s/ CG Appleby  
Name: CG Appleby  
Title: Senior Vice President, Secretary and  
General Counsel

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**BOOZ & COMPANY INTERMEDIATE I INC.**

By: /s/ S. Anthony Bianco

\_\_\_\_\_  
Name: S. Anthony Bianco

Title: Vice President, Secretary and  
General Counsel

**BOOZ & COMPANY INTERMEDIATE II INC.**

By: /s/ S. Anthony Bianco

\_\_\_\_\_  
Name: S. Anthony Bianco

Title: Vice President, Secretary and  
General Counsel

GUARANTEE AGREEMENT

among

EXPLORER INVESTOR CORPORATION,

EXPLORER MERGER SUB CORPORATION,

as the Initial Borrower,

BOOZ ALLEN HAMILTON INC.,

as the Surviving Borrower,

and the Subsidiary Guarantors party hereto

and

CREDIT SUISSE,

as Administrative Agent

Dated as of July 31, 2008

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### SCHEDULES

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ANNEXES

Annex I Assumption Agreement

GUARANTEE AGREEMENT

GUARANTEE AGREEMENT, dated as of July 31, 2008, among Explorer Investor Corporation, a Delaware corporation ("Holdings"), Explorer Merger Sub Corporation, a Delaware corporation (the "Initial Borrower"), Booz Allen Hamilton Inc., a Delaware corporation into which the Initial Borrower shall be merged ("Booz Allen" or the "Surviving Borrower"), the Subsidiaries of the Surviving Borrower listed on Schedule 1 hereto, and Credit Suisse, as Administrative Agent (in such capacity, the "Administrative Agent") for the banks and other financial institutions or entities (the "Lenders") from time to time parties to the Mezzanine Credit Agreement, dated as of July 31, 2008 (as amended, supplemented or otherwise modified from time to time, the "Mezzanine Credit Agreement"), among Holdings, the Initial Borrower, Booz Allen, the Lenders, Credit Suisse, as Administrative Agent, Credit Suisse Securities (USA) LLC, Banc of America Securities LLC, and Lehman Brothers Inc., as Joint Lead Arrangers and Joint Bookrunners.

WITNESSETH:

WHEREAS, pursuant to the Mezzanine Credit Agreement, the Lenders have severally agreed to make extensions of credit to the Borrower (as defined below) upon the terms and subject to the conditions set forth therein;

WHEREAS, the Borrower is a member of an affiliated group of companies that includes each Guarantor (as defined below);

WHEREAS, the proceeds of the extensions of credit under the Mezzanine Credit Agreement will be used in part to enable the Borrower to make valuable transfers to one or more of the Guarantors in connection with the operation of their respective businesses;

WHEREAS, the Borrower and the Guarantors are engaged in related businesses, and each Guarantor will derive substantial direct and indirect benefit from the making of the extensions of credit under the Mezzanine Credit Agreement; and

WHEREAS, it is a condition precedent to the obligation of the Lenders to make their respective extensions of credit to the Borrower under the Mezzanine Credit Agreement that the Guarantors shall have executed and delivered this Agreement to the Administrative Agent;

NOW, THEREFORE, in consideration of the premises and to induce the Administrative Agent and the Lenders to enter into the Mezzanine Credit Agreement and to induce the Lenders to make their respective extensions of credit to the Borrower thereunder, each Guarantor hereby agrees with the Administrative Agent as follows:

SECTION 1. DEFINED TERMS

1.1 Definitions. (a) Unless otherwise defined herein, terms defined in the Mezzanine Credit Agreement and used herein shall have the meanings given to them in the Mezzanine Credit Agreement.

(b) The following terms shall have the following meanings:

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“Agreement”: this Guarantee Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

“Borrower”: (a) at any time prior to the consummation of the Merger Transactions, the Initial Borrower and (b) upon and at any time after the consummation of the Merger Transactions, the Surviving Borrower.

“Borrower Obligations”: the collective reference to the unpaid principal of and interest on the Loans and all other obligations and liabilities of the Borrower (including, without limitation, interest accruing at the then applicable rate provided in the Mezzanine Credit Agreement after the maturity of the Loans and interest accruing at the then applicable rate provided in the Mezzanine Credit Agreement after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed or allowable in such proceeding) to the Administrative Agent or any Lender, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, in each case, which may arise under, out of, or in connection with, the Mezzanine Credit Agreement, this Agreement, the other Loan Documents or any other document made, delivered or given in connection therewith, in each case whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to the Administrative Agent or to the Lenders that are required to be paid by the Borrower pursuant to the terms of any of the foregoing agreements).

“Guarantor Obligations”: with respect to any Guarantor, all obligations and liabilities of such Guarantor which may arise under or in connection with this Agreement (including, without limitation, Section 2) or any other Loan Document to which such Guarantor is a party, in each case whether on account of guarantee obligations, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to the Administrative Agent or to the Lenders that are required to be paid by such Guarantor pursuant to the terms of this Agreement or any other Loan Document).

“Guarantors”: the collective reference to Holdings and the Subsidiary Guarantors that may become a party hereto as provided herein.

“Obligations”: (i) in the case of the Borrower, the Borrower Obligations and (ii) in the case of each Guarantor, its Guarantor Obligations.

“Subsidiary Guarantors”: the Subsidiaries of the Borrower listed on Schedule 1 hereto and any other Subsidiary of the Borrower that may become a party hereto as provided herein.

1.2 Other Definitional Provisions. (a) The words “hereof,” “herein,” “hereto” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section and Schedule references are to this Agreement unless otherwise specified.

(b) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

## SECTION 2. GUARANTEE

### 2.1 Guarantee.

(a) Each of the Guarantors hereby, jointly and severally, unconditionally and irrevocably, guarantees to the Administrative Agent for the ratable benefit of the Administrative Agent, the Lenders and their respective permitted successors, indorsees, transferees and assigns, the prompt and complete payment and performance by the Borrower when due (whether at the stated maturity, by acceleration or otherwise) of the Borrower Obligations.

(b) Anything herein or in any other Loan Document to the contrary notwithstanding, the maximum liability of each Guarantor hereunder and under the other Loan Documents shall in no event exceed the amount which can be guaranteed by such Guarantor under applicable federal and state laws relating to the insolvency of debtors (after giving effect to the right of contribution established in Section 2.2).

(c) Each Guarantor agrees that the Borrower Obligations may at any time and from time to time exceed the amount of the liability of such Guarantor hereunder without impairing the guarantee contained in this Section 2 or affecting the rights and remedies of the Administrative Agent or any Lender hereunder.

(d) The guarantee contained in this Section 2 shall remain in full force and effect until all the Borrower Obligations and the obligations of each Guarantor under the guarantee contained in this Section 2 shall have been satisfied by payment in full (other than contingent or indemnification obligations not then due) and the Commitments shall have been terminated, notwithstanding that from time to time during the term of the Mezzanine Credit Agreement the Borrower may be free from any Borrower Obligations, provided that any Guarantor shall be released from its guarantee contained in this Section 2 as provided in Section 6.15.

(e) No payment (other than payment in full) made by the Borrower, any of the Guarantors, any other guarantor or any other Person or received or collected by the Administrative Agent or any Lender from the Borrower, any of the Guarantors, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Borrower Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of any Guarantor hereunder which shall, notwithstanding any such payment (other than any payment made by such Guarantor in respect of the Borrower Obligations or any payment received or collected from such Guarantor in respect of the Borrower Obligations), remain liable for the Borrower Obligations up to the maximum liability of such Guarantor hereunder until the Borrower Obligations shall have been paid in full (other than contingent or indemnification obligations not then due) and the Commitments shall have been terminated, provided that any Guarantor shall be released from its guarantee contained in this Section 2 as provided in Section 6.15.

**2.2 Right of Contribution.** Each Guarantor hereby agrees that to the extent that a Guarantor shall have paid more than its proportionate share of any payment made hereunder, such Guarantor shall be entitled to seek and receive contribution from and against any other Guarantor hereunder which has not paid its proportionate share of such payment. Each Guarantor's right of contribution shall be subject to the terms and conditions of Section 2.3. The provisions of this Section 2.2 shall in no respect limit the obligations and liabilities of any Guarantor to the Administrative Agent and the Lenders, and each Guarantor shall remain liable to the Administrative Agent and the Lenders for the full amount guaranteed by such Guarantor hereunder.

**2.3 No Subrogation.** Notwithstanding any payment made by any Guarantor hereunder or any set-off or application of funds of any Guarantor by the Administrative Agent or any Lender, no Guarantor shall be entitled to be subrogated to any of the rights of the Administrative Agent or any Lender against the Borrower or any other Guarantor or any collateral security or guarantee or right of offset held by the



Administrative Agent or any Lender for the payment of the Borrower Obligations, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from the Borrower or any other Guarantor in respect of payments made by such Guarantor hereunder, until all amounts owing to the Administrative Agent and the Lenders by the Borrower on account of the Borrower Obligations shall have been paid in full (other than contingent or indemnification obligations not then due) and the Commitments shall have been terminated. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time when all of such Borrower Obligations shall not have been paid in full, such amount shall be held by such Guarantor in trust for the Administrative Agent and the Lenders, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor, be turned over to the Administrative Agent in the exact form received by such Guarantor (duly indorsed by such Guarantor to the Administrative Agent, if required), to be applied against the Borrower Obligations, whether matured or unmatured, in such order as the Administrative Agent may determine.

2.4 Amendments, etc. with respect to the Borrower Obligations. Each Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Guarantor and without notice to or further assent by any Guarantor, any demand for payment of any of the Borrower Obligations made by the Administrative Agent or any Lender may be rescinded by the Administrative Agent or such Lender and any of the Borrower Obligations continued, and the Borrower Obligations, or the liability of any other Person upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Administrative Agent or any Lender, and the Mezzanine Credit Agreement and the other Loan Documents and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the Administrative Agent (or the Required Lenders, or the Supermajority Lenders, or all Lenders, or all Lenders directly affected thereby, as the case may be) may deem advisable from time to time, and any collateral security, guarantee or right of set-off at any time held by the Administrative Agent or any Lender for the payment of the Borrower Obligations may be sold, exchanged, waived, surrendered or released.

2.5 Guarantee Absolute and Unconditional. Each Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Borrower Obligations and notice of or proof of reliance by the Administrative Agent or any Lender upon the guarantee contained in this Section 2 or acceptance of the guarantee contained in this Section 2; the Borrower Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the guarantee contained in this Section 2; and all dealings between the Borrower and any of the Guarantors, on the one hand, with respect to the Loan Documents and the Administrative Agent and the Lenders, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in this Section 2. Each Guarantor waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Borrower or any of the Guarantors with respect to the Borrower Obligations. Each Guarantor understands and agrees that the guarantee of such Guarantor contained in this Section 2 shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity or enforceability of the Mezzanine Credit Agreement or any other Loan Document, any of the Borrower Obligations or any collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Administrative Agent or any Lender, (b) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by the Borrower or any other Person against the Administrative Agent or any Lender, or (c) any other circumstance whatsoever (other than a defense of payment or performance) (with or without notice to or knowledge of the Borrower or any Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Borrower from the Borrower Obligations, or of such Guarantor under the guarantee of such Guarantor contained in this Section 2, in bankruptcy or in any

other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against any Guarantor, the Administrative Agent or any Lender may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against the Borrower, any other Guarantor or any other Person or against any collateral security or guarantee for the Borrower Obligations or any right of offset with respect thereto, and any failure by the Administrative Agent or any Lender to make any such demand, to pursue such other rights or remedies or to collect any payments from the Borrower, any other Guarantor or any other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Borrower, any other Guarantor or any other Person or any such collateral security, guarantee or right of offset, shall not relieve any Guarantor of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Administrative Agent or any Lender against any Guarantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

2.6 Reinstatement. The guarantee contained in this Section 2 shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Borrower Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower or any Guarantor or any substantial part of its property, or otherwise, all as though such payments had not been made.

2.7 Payments. Each Guarantor hereby guarantees that payments hereunder will be paid to the Administrative Agent without set-off or counterclaim at the Funding Office.

### SECTION 3. REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent and the Lenders to enter into the Mezzanine Credit Agreement and to induce the Lenders to make their respective extensions of credit to the Borrower, each Guarantor hereby represents and warrants to each of the Administrative Agent and each other Lender that:

3.1 Representations in Mezzanine Credit Agreement. In the case of each Guarantor, the representations and warranties set forth in Section 3 of the Mezzanine Credit Agreement to the extent they refer to such Guarantor or to the Loan Documents to which such Guarantor is a party, each of which is hereby incorporated herein by reference, are true and correct in all material respects, and each of the Administrative Agent and each other Lender shall be entitled to rely on each of them as if they were fully set forth herein; provided that each reference in each such representation and warranty to the Borrower's knowledge shall, for the purposes of this Section 3.1, be deemed to be a reference to such Guarantor's knowledge.

### SECTION 4. COVENANTS

Each Guarantor covenants and agrees with the Administrative Agent and the other Lenders that, from and after the date of this Agreement until the Obligations shall have been paid in full (other than contingent and indemnification obligations not yet due and owing) and the Commitments shall have been terminated:

4.1 Covenants in Mezzanine Credit Agreement. In the case of each Guarantor, to the extent applicable, such Guarantor shall take, or shall refrain from taking, as the case may be, each action that is necessary to be taken or not taken, as the case may be, so that no Default or Event of Default is caused by the failure to take such action or to refrain from taking such action by such Guarantor or any of its Subsidiaries.

#### SECTION 5. REMEDIAL PROVISIONS

5.1 Application of Proceeds. If an Event of Default shall have occurred and be continuing and the Loans shall have been accelerated pursuant to Section 7 of the Mezzanine Credit Agreement, at any time at the Administrative Agent's election, the Administrative Agent may apply any proceeds of the guarantee set forth in Section 2 in payment of the Obligations, and shall make any such application in the following order:

First, to pay incurred and unpaid reasonable, out-of-pocket fees and expenses of the Agents under the Loan Documents;

Second, to the Administrative Agent, for application by it towards payment of amounts then due and owing and remaining unpaid in respect of the Obligations, pro rata among the Lenders according to the amounts of the Obligations then due and owing and remaining unpaid to each of them; and

Third, any balance of such proceeds remaining after the Obligations shall have been paid in full (other than contingent or indemnification obligations not then due) and the Commitments shall have been terminated, shall be paid over to the Borrower or to whomsoever shall be lawfully entitled to receive the same.

#### SECTION 6. MISCELLANEOUS

6.1 Amendments in Writing. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except in accordance with Section 9.1 of the Mezzanine Credit Agreement.

6.2 Notices. All notices, requests and demands to or upon the Administrative Agent or any Guarantor hereunder shall be effected in the manner provided for in Section 9.2 of the Mezzanine Credit Agreement; provided that any such notice, request or demand to or upon any Guarantor shall be addressed to such Guarantor at its notice address set forth on Schedule 2 or at such other address pursuant to notice given in accordance with Section 9.2 of the Mezzanine Credit Agreement.

6.3 No Waiver by Course of Conduct; Cumulative Remedies. Neither the Administrative Agent nor any Lender shall by any act (except by a written instrument pursuant to Section 6.1), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default. No failure to exercise, nor any delay in exercising, on the part of the Administrative Agent or any Lender, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Administrative Agent or any Lender of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Administrative Agent or such Lender would

otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

6.4 **Enforcement Expenses; Indemnification.** Each Guarantor agrees to pay, and to save the Administrative Agent and the Lenders harmless from, any and all out-of-pocket liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement to the extent the Borrower would be required to do so pursuant to Section 9.5 of the Mezzanine Credit Agreement. The agreements in this Section 6.4 shall survive repayment of the Obligations and all other amounts payable under the Mezzanine Credit Agreement and the other Loan Documents.

6.5 **Successors and Assigns.** This Agreement shall be binding upon the successors and assigns of each Guarantor and shall inure to the benefit of the Administrative Agent and the Lenders and their successors and assigns; provided, that no Guarantor may assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Administrative Agent (it being understood that Dispositions permitted under the Mezzanine Credit Agreement shall not be subject to this proviso).

6.6 **Set-Off.** Each Guarantor hereby irrevocably authorizes the Administrative Agent and each Lender at any time and from time to time while an Event of Default shall have occurred and be continuing, without notice to such Guarantor or any other Guarantor, any such notice being expressly waived by each Guarantor, to the extent permitted by applicable law, upon any amount becoming due and payable by each Guarantor (whether at the stated maturity, by acceleration or otherwise after the expiration of any applicable grace periods) to set-off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final but excluding trust accounts), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by the Administrative Agent or such Lender to or for the credit or the account of such Guarantor. The Administrative Agent and each Lender shall notify such Guarantor promptly of any such set-off made by it and the application made by it of the proceeds thereof, provided that the failure to give such notice shall not affect the validity of such set-off and application.

6.7 **Counterparts.** This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by telecopy or electronic (i.e., "pdf") transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

6.8 **Severability.** Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

6.9 **Section Headings.** The Section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

6.10 **Integration.** This Agreement and the other Loan Documents represent the agreement of the Guarantors, the Administrative Agent and the Lenders with respect to the subject matter hereof and thereof.

**6.11 GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS TO THE EXTENT THAT THE SAME ARE NOT MANDATORILY APPLICABLE BY STATUTE AND THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.**

**6.12 Submission To Jurisdiction; Waivers.** Each party hereto hereby irrevocably and unconditionally:

- (a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the Courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;
- (b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;
- (c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Guarantor at its address referred to in Section 6.2 or at such other address of which the Administrative Agent shall have been notified pursuant thereto;
- (d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and
- (e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

**6.13 Acknowledgements.** Each Guarantor hereby acknowledges that:

- (a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents to which it is a party;
- (b) neither the Administrative Agent nor any Lender has any fiduciary relationship with or duty to any Guarantor arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Guarantors, on the one hand, and the Administrative Agent and the Lenders, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and
- (c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Administrative Agent and the Lenders or among the Guarantors and the Administrative Agent and the Lenders.

**6.14 Additional Guarantors.** Each Restricted Subsidiary of the Borrower that is required to become a party to this Agreement pursuant to Section 5.8 of the Mezzanine Credit Agreement shall

become a Guarantor for all purposes of this Agreement upon execution and delivery by such Restricted Subsidiary of an Assumption Agreement in the form of Annex I hereto.

6.15 Releases.

(a) At such time as the Loans and the other Obligations (other than contingent or indemnification obligations not then due) shall have been paid in full in cash and the Commitments shall have been terminated, this Agreement and all obligations (other than those expressly stated to survive such termination) of the Administrative Agent and each Guarantor hereunder shall automatically terminate, all without delivery of any instrument or performance of any act by any party.

(b) A Guarantor shall be automatically released from its obligations hereunder in the event that all the Capital Stock of such Guarantor shall be sold, transferred or otherwise disposed of in a transaction permitted by the Mezzanine Credit Agreement, or upon the designation of such Guarantor as an Unrestricted Subsidiary as permitted under the Mezzanine Credit Agreement, and the Administrative Agent, at the request and sole expense of the Borrower, shall execute and deliver to the Borrower all releases or other documents reasonably necessary or desirable to evidence the release of such obligations. All releases or other documents delivered by the Administrative Agent pursuant to this Section 6.15(b) shall be without recourse to, or warranty by, the Administrative Agent.

(c) Obligations of Guarantors hereunder shall terminate as set forth in Section 9.15 of the Mezzanine Credit Agreement.

6.16 WAIVER OF JURY TRIAL. EACH GUARANTOR AND, BY ACCEPTANCE OF THE BENEFITS HEREOF, EACH OF THE ADMINISTRATIVE AGENT AND EACH LENDER, HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

IN WITNESS WHEREOF, each of the undersigned has caused this Guarantee Agreement to be duly executed and delivered as of the date first above written.

CREDIT SUISSE, CAYMAN ISLANDS BRANCH  
as Administrative Agent

By: /s/ John D. Toronto

Name: John D. Toronto

Title: Director

By: /s/ Shaheen Malik

Name: Shaheen Malik

Title: Associate

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EXPLORER MERGER SUB CORPORATION,  
as Initial Borrower

By: /s/ Ian Fujiyama

Name: Ian Fujiyama

Title: Vice President

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BOOZ ALLEN HAMILTON INC.,  
as Surviving Borrower

By: /s/ Ralph Shrader

\_\_\_\_\_  
Name: Ralph Shrader

Title: Chairman and Chief Executive Officer

By: /s/ CG Appleby

\_\_\_\_\_  
Name: CG Appleby

Title: Secretary

---

EXPLORER INVESTOR CORPORATION,  
as Guarantor

By: /s/ Ian Fujiyama

Name: Ian Fujiyama

Title: Vice President

ASE, INC.,  
as Guarantor

By: /s/ CG Appleby

Name: CG Appleby

Title: Senior Vice President

AESTIX, INC.,  
as Guarantor

By: /s/ CG Appleby

Name: CG Appleby

Title: Secretary

BOOZ ALLEN TRANSPORTATION INC.,  
as Guarantor

By: /s/ CG Appleby

Name: CG Appleby

Title: Secretary

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SUBSIDIARY GUARANTORS

Aestix, Inc.

ASE, Inc.

Booz Allen Transportation Inc.

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NOTICE ADDRESSES OF GUARANTORS

<u>Guarantor</u>	<u>Address for Notices</u>
Aestix, Inc.	8283 Greensboro Drive McLean, VA 22102
ASE, Inc.	8283 Greensboro Drive McLean, VA 22102
Booz Allen Transportation Inc.	8283 Greensboro Drive McLean, VA 22102
Explorer Investor Corporation	1001 Pennsylvania Ave., NW, Ste 220S Washington, DC 20004

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ASSUMPTION AGREEMENT, dated as of \_\_\_\_\_, 20\_\_\_\_, made by \_\_\_\_\_ (the "Additional Guarantor"), in favor of Credit Suisse, as administrative agent (in such capacity, the "Administrative Agent") for the banks and other financial institutions or entities (the "Lenders") parties to the Mezzanine Credit Agreement referred to below. All capitalized terms not defined herein shall have the meaning ascribed to them in such Mezzanine Credit Agreement.

**WITNESSETH:**

WHEREAS, Explorer Investor Corporation, a Delaware corporation ("Holdings"), Explorer Merger Sub Corporation, a Delaware corporation (the "Initial Borrower"), Booz Allen Hamilton Inc., a Delaware corporation into which the Initial Borrower shall be merged ("Booz Allen" or the "Surviving Borrower"), the several banks and other financial institutions or entities from time to time parties to the Mezzanine Credit Agreement (the "Lenders"), Credit Suisse, as Administrative Agent (in such capacity, the "Administrative Agent") and Credit Suisse Securities (USA) LLC, Banc of America Securities LLC and Lehman Brothers Inc., as Joint Lead Arrangers and Joint Bookrunners have entered into that certain Mezzanine Credit Agreement, dated as of July 31, 2008 (as amended, supplemented or otherwise modified from time to time, the "Mezzanine Credit Agreement");

WHEREAS, in connection with the Mezzanine Credit Agreement, the Borrower (as such term is defined in the Guarantee Agreement) and certain of its Affiliates (other than the Additional Guarantor) have entered into the Guarantee Agreement, dated as of July 31, 2008 (as amended, supplemented or otherwise modified from time to time, the "Guarantee Agreement") in favor of the Administrative Agent for the benefit of the Administrative Agent and the Lenders;

WHEREAS, the Mezzanine Credit Agreement requires the Additional Guarantor to become a party to the Guarantee Agreement; and

WHEREAS, the Additional Guarantor has agreed to execute and deliver this Assumption Agreement in order to become a party to the Guarantee Agreement;

NOW, THEREFORE, IT IS AGREED:

1. Guarantee Agreement. By executing and delivering this Assumption Agreement, the Additional Guarantor, as provided in Section 6.14 of the Guarantee Agreement, hereby becomes a party to the Guarantee Agreement as a Guarantor thereunder with the same force and effect as if originally named therein as a Guarantor and, without limiting the generality of the foregoing, hereby expressly assumes all obligations and liabilities of a Guarantor thereunder. The information set forth in Annex 1-A hereto is hereby added to the information set forth in Schedule 2 to the Guarantee Agreement. The Additional Guarantor hereby represents and warrants, to the extent applicable, that each of the representations and warranties contained in Section 3 of the Guarantee Agreement is true and correct on and as of the date hereof (after giving effect to this Assumption Agreement) as if made on and as of such date.

2. GOVERNING LAW. THIS ASSUMPTION AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE

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**GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS TO THE EXTENT THAT THE SAME ARE NOT MANDATORILY APPLICABLE BY STATUTE AND THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.**

IN WITNESS WHEREOF, the undersigned has caused this Assumption Agreement to be duly executed and delivered as of the date first above written.

[ADDITIONAL GUARANTOR],  
as Guarantor

By: \_\_\_\_\_  
Name:  
Title:

Supplement to Schedule 2

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\$810,000,000

CREDIT AGREEMENT

among

EXPLORER INVESTOR CORPORATION  
EXPLORER MERGER SUB CORPORATION  
as the Initial Borrower,

BOOZ ALLEN HAMILTON INC.  
as the Surviving Borrower

The Several Lenders from Time to Time Parties Hereto,

CREDIT SUISSE,  
as Administrative Agent and Collateral Agent,

BANK OF AMERICA, N.A.  
as Syndication Agent,

LEHMAN BROTHERS COMMERCIAL BANK,  
C.I.T. LEASING CORPORATION,  
and

SUMITOMO MITSUI BANKING CORPORATION,  
as Documentation Agents,

CREDIT SUISSE,  
as Issuing Lender

and

BANC OF AMERICA SECURITIES LLC,  
CREDIT SUISSE SECURITIES (USA) LLC,  
LEHMAN BROTHERS INC.

and

SUMITOMO MITSUI BANKING CORPORATION  
as Joint Lead Arrangers and Joint Bookrunners

Dated as of July 31, 2008

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EXHIBITS:

- A Form of Guarantee and Collateral Agreement
- B Form of Compliance Certificate
- C Form of Closing Certificate
- D Form of Assignment and Assumption
- E-1 Form of Legal Opinion of Debevoise & Plimpton LLP
- E-2 Form of Legal Opinion of Morris, Nichols, Arsht & Tunnell LLP
- F Form of Exemption Certificate
- G Form of Solvency Certificate
- H Form of Joinder Agreement
- I Form of Prepayment Option Notice
- J-1 Form of Tranche A Term Loan Note
- J-2 Form of Tranche B Term Loan Note
- J-3 Form of Revolving Note

CREDIT AGREEMENT, dated as of July 31, 2008, among EXPLORER INVESTOR CORPORATION, a Delaware corporation (“Holdings”), EXPLORER MERGER SUB CORPORATION, a Delaware corporation (the “Initial Borrower”), BOOZ ALLEN HAMILTON INC., a Delaware corporation into which the Initial Borrower shall be merged (the “Company” or the “Surviving Borrower”), the several banks and other financial institutions or entities from time to time parties to this Agreement (the “Lenders”), CREDIT SUISSE, as Administrative Agent and Collateral Agent, BANK OF AMERICA, N.A., as syndication agent (in such capacity, the “Syndication Agent”), LEHMAN BROTHERS COMMERCIAL BANK, C.I.T. LEASING CORPORATION and SUMITOMO MITSUI BANKING CORPORATION, as documentation agents (in such capacity, collectively, the “Documentation Agents”), CREDIT SUISSE, as Issuing Lender and BANC OF AMERICA SECURITIES LLC, CREDIT SUISSE SECURITIES (USA) LLC, LEHMAN BROTHERS INC. and SUMITOMO MITSUI BANKING CORPORATION, as joint lead arrangers and joint bookrunners.

The parties hereto hereby agree as follows:

#### SECTION 1. DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the terms listed in this Section 1.1 shall have the respective meanings set forth in this Section 1.1.

“ABR”: for any day, a rate per annum equal to the greater of (a) the Prime Rate in effect on such day and (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. For purposes hereof: “Prime Rate” means the prime commercial lending rate of the Administrative Agent as established from time to time in its principal U.S. office, as in effect from time to time. Any change in the ABR due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective as of the opening of business on the effective day of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

“ABR Loans”: Loans the rate of interest applicable to which is based upon the ABR.

“Accounting Changes”: as defined in Section 10.16.

“Acquisition”: as defined in the definition of “Permitted Acquisition”.

“Act”: as defined in Section 10.18.

“Administrative Agent”: Credit Suisse, as the administrative agent for the Lenders under this Agreement and the other Loan Documents, together with any of its successors and permitted assigns in such capacity in accordance with Section 9.9.

“Affiliate”: as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, “control” of a Person means the power, directly or indirectly to direct or cause the direction of the management and policies of such Person, in either case whether by contract or otherwise.

“Agents”: the collective reference to the Collateral Agent and the Administrative Agent, and for purposes of Sections 10.13 and 10.14, the Lead Arrangers.

“Aggregate Exposure”: with respect to any Lender at any time, an amount equal to (a) until the Closing Date, the aggregate amount of such Lender’s Commitments at such time and (b) thereafter, the sum of (i) the aggregate then unpaid principal amount of such Lender’s Term Loans, (ii) the aggregate amount of such Lender’s Revolving Commitments then in effect or, if the Revolving Commitments have been terminated, the amount of such Lender’s Revolving Extensions of Credit then outstanding and (iii) the aggregate amount of such Lender’s New Loan Commitments then in effect, or if such New Loan Commitments have been terminated, the amount of such Lender’s New Loans.

“Aggregate Exposure Percentage”: with respect to any Lender at any time, the ratio (expressed as a percentage) of such Lender’s Aggregate Exposure at such time to the total Aggregate Exposures of all Lenders at such time.

“Agreed Purposes”: as defined in Section 10.14.

“Agreement”: this Credit Agreement, as amended, restated, amended and restated, supplemented or otherwise modified from time to time.

“AHYDO Payments”: “applicable high yield discount obligations” (within the meaning of Section 163(i)(1) of the Code) “catch-up” payments in respect of any Indebtedness (including the Mezzanine Loans, any Permitted Subordinated Indebtedness and any Indebtedness incurred pursuant to Section 7.2(v)) the incurrence of which is not otherwise prohibited hereunder to the extent such Indebtedness provides for the payment of interest on all or any portion of the principal amount of such Indebtedness by adding such interest to the principal amount thereof.

“Annual Operating Budget”: as defined in Section 6.2(c).

“Applicable Margin” or “Applicable Commitment Fee Rate”: for any day, with respect to (i) the Loans (including any Swingline Loan) under the Revolving Facility and the Tranche A Term Loan Facility, and the commitment fee payable hereunder, the applicable rate per annum determined pursuant to the Pricing Grid and (ii) the Loans under the Tranche B Term Loan Facility, in the case of the Applicable Margin, 3.50% with respect to Tranche B Term Loans that are ABR Loans and 4.50% with respect to Tranche B Term Loans that are Eurocurrency Loans; provided that from the Closing Date until the next change in the Applicable Margin or Applicable Commitment Fee Rate in accordance with the Pricing Grid (a) the Applicable Margin shall be 3.00% with respect to Tranche A Term Loans, Revolving Loans that are ABR Loans and Swingline Loans and 4.00% with respect to Tranche A Term Loans and Revolving Loans that are Eurocurrency Loans and (b) the Applicable Commitment Fee Rate shall be 0.50%.

“Application”: an application, in such form as the relevant Issuing Lender may specify from time to time, requesting such Issuing Lender to open a Letter of Credit.

“Approved Fund”: as defined in Section 10.6(b).

“Asset Sale”: any Disposition of Property or series of related Dispositions of Property by the Borrower or any of its Restricted Subsidiaries not in the ordinary course of business (a) under Section 7.5(e) or (p) or (b) not otherwise permitted under Section 7.5, in each case, which yields Net Cash Proceeds (valued at the initial principal amount thereof in the case of non-cash proceeds consisting of notes or other debt securities and valued at fair market value in the case of other non-cash proceeds) in excess of \$1,000,000.

“Assignee”: as defined in Section 10.6(b).

“Assignment and Assumption”: an Assignment and Assumption, substantially in the form of Exhibit D.

“Available Amount”: as at any date, the sum of, without duplication:

(a) \$10,000,000;

(b) the aggregate cumulative amount, not less than zero, of 50% of Excess Cash Flow for each fiscal year beginning with the fiscal year ending March 31, 2010;

(c) the Net Cash Proceeds received after the Closing Date and on or prior to such date from any Equity Issuance by, or capital contribution to, Holdings or the Borrower (which in the case of any such Equity Issuance by the Borrower, is not Disqualified Capital Stock) which, in the case of any such Equity Issuance by, or capital contribution to, Holdings, have been contributed in cash as common equity to the Borrower, in each case to the extent it is not a Specified Equity Contribution;

(d) the aggregate amount of proceeds received after the Closing Date and on or prior to such date that (i) would have constituted Net Cash Proceeds pursuant to clause (a) of the definition of “Net Cash Proceeds” except for the operation of any of (A) the Dollar threshold set forth in the definition of “Asset Sale” and (B) the Dollar threshold set forth in the definition of “Recovery Event” or (ii) constitutes Declined Proceeds;

(e) the aggregate principal amount of any Indebtedness of the Borrower or any Restricted Subsidiary issued after the Closing Date (other than Indebtedness issued to a Restricted Subsidiary), which has been converted into or exchanged for Capital Stock in Holdings or any Parent Company;

(f) the amount received by the Borrower or any Restricted Subsidiary in cash (and the fair market value (as determined in good faith by the Borrower) of Property other than cash received by the Borrower or any Restricted Subsidiary) after the Closing Date from any dividend or other distribution by an Unrestricted Subsidiary;

(g) in the event any Unrestricted Subsidiary has been redesignated as a Restricted Subsidiary and becomes a Subsidiary Guarantor or has been merged, consolidated or amalgamated with or into, or transfers or conveys its assets to, or is liquidated into, the Borrower or any Subsidiary Guarantor, the fair market value (as determined in good faith by the Borrower) of the Investments of the Borrower or any Restricted Subsidiary in such Unrestricted Subsidiary at the time of such redesignation, combination or transfer (or of the assets transferred or conveyed, as applicable);

(h) an amount equal to any returns (including dividends, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) actually received in cash, Cash Equivalents and Permitted Liquid Investments by the Borrower or any Restricted Subsidiary in respect of any Investments made pursuant to Section 7.7(f)(ii)(B), (h)(B), or (v)(ii); and

(i) the aggregate amount actually received in cash, Cash Equivalents or Permitted Liquid Investments by the Borrower or any Restricted Subsidiary in connection with the sale, transfer or

other disposition of its ownership interest in any joint venture that is not a Subsidiary or in any Unrestricted Subsidiary, in each case, to the extent of the Investment in such joint venture or Unrestricted Subsidiary;

in each case, that has not been previously applied pursuant to Section 7.6(b), Section 7.7(f)(ii), (h)(B) or (v)(ii) or Sections 7.8(a)(ii)(A) and 7.8(a)(ii)(B).

“Available Revolving Commitment”: as to any Revolving Lender at any time, an amount equal to the excess, if any, of (a) such Lender’s Revolving Commitment then in effect (including any New Loan Commitments which are Revolving Commitments) over (b) such Lender’s Revolving Extensions of Credit then outstanding; provided that in calculating any Revolving Lender’s Revolving Extensions of Credit under its Revolving Commitment for the purpose of determining such Revolving Lender’s Available Revolving Commitments pursuant to Section 2.9(a), the aggregate principal amount of Swingline Loans then outstanding shall be deemed to be zero.

“Benefited Lender”: as defined in Section 10.7(a).

“Board”: the Board of Governors of the Federal Reserve System of the United States (or any successor).

“Board of Directors”: (a) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board; (b) with respect to a partnership, the Board of Directors of the general partner of the partnership, or any committee thereof duly authorized to act on behalf of such board or the board or committee of any Person serving a similar function; (c) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof or any Person or Persons serving a similar function; and (d) with respect to any other Person, the board or committee of such Person serving a similar function.

“Borrower”: (a) at any time prior to the consummation of the Merger Transactions, the Initial Borrower and (b) upon and at any time after the consummation of the Merger Transactions, the Surviving Borrower.

“Borrowing Date”: any Business Day specified by the Borrower as a date on which the Borrower requests the relevant Lenders to make Loans hereunder.

“Business”: the business activities and operations of the Company and/or its Affiliates on the Closing Date immediately after giving effect to the transactions contemplated by the Spin Off Agreement.

“Business Day”: a day (a) other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to close and (b) with respect to notices and determinations in connection with, and payments of principal and interest on, Eurocurrency Loans, such day is also a day for trading by and between banks in Dollar deposits in the London interbank eurocurrency market.

“Capital Expenditures”: for any period, with respect to any Person, the aggregate of all cash expenditures by such Person for the acquisition or leasing (pursuant to a capital lease but excluding any amount representing capitalized interest) of fixed or capital assets, computer software or additions to equipment (including replacements, capitalized repairs and improvements during such period) which are



required to be capitalized under GAAP on a balance sheet of such Person; provided that in any event the term “Capital Expenditures” shall exclude: (i) any Permitted Acquisition and any other Investment permitted hereunder; (ii) any expenditures to the extent financed with any Reinvestment Deferred Amount; (iii) expenditures for leasehold improvements for which such Person is reimbursed in cash or receives a credit; and (iv) capital expenditures to the extent they are made with the proceeds of equity contributions (other than in respect of Disqualified Capital Stock) made to the Borrower after the Closing Date.

“Capital Lease Obligations”: as to any Person, 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 for purposes of this definition, “GAAP” shall mean generally accepted accounting principles in the United States as in effect on the date hereof.

“Capital Stock”: any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, and any and all equivalent ownership interests in a Person (other than a corporation).

“Carlyle Fund”: Carlyle Partners US V, L.P., and no other Person or entity.

“Cash Equivalents”: (a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within eighteen months from the date of acquisition thereof;

(b) investments in commercial paper maturing within 270 days from the date of issuance thereof and having, at such date of acquisition, the highest credit rating obtainable from S&P or from Moody’s;

(c) investments in certificates of deposit, banker’s acceptances and time deposits maturing within one year from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, the Administrative Agent or any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof that has a combined capital and surplus and undivided profits of not less than \$500,000,000 and that issues (or the parent of which issues) commercial paper rated at least “Prime-1” (or the then equivalent grade) by Moody’s or “A-1” (or the then equivalent grade) by S&P;

(d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria of clause (c) above;

(e) investments in “money market funds” within the meaning of Rule 2a-7 of the Investment Company Act of 1940, as amended, substantially all of whose assets are invested in investments of the type described in clauses (a) through (d) above; and

(f) other short-term investments utilized by Foreign Subsidiaries in accordance with normal investment practices for cash management in investments of a type analogous to the foregoing.

“Cash Management Obligations”: obligations owed by the Borrower or any Subsidiary Guarantor to any Lender or any Affiliate of a Lender in respect of any overdraft and related liabilities arising from treasury, depository and cash management services, credit or debit card, or any automated clearing house transfers of funds.

“Certificated Security”: as defined in the Guarantee and Collateral Agreement.

“Change in Law”: (a) the adoption of any law, rule or regulation, or (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority.

“Change of Control”: as defined in Section 8.1(j).

“Chattel Paper”: as defined in the Guarantee and Collateral Agreement.

“Closing Date”: the date on which the conditions precedent set forth in Section 5.1 shall have been satisfied or waived and the Term Loans hereunder shall have been funded, which date is July 31, 2008.

“Closing Date Material Adverse Effect”: a “Company Material Adverse Effect” as defined in the Merger Agreement.

“Closing Date Stock Certificates”: Collateral consisting of stock certificates representing the Capital Stock of the Domestic Subsidiaries that are Restricted Subsidiaries (and not Immaterial Subsidiaries) of the Borrower for which a security interest can be perfected by delivering such stock certificates.

“Closing Date UCC Filing Collateral”: Collateral for which a security interest can be perfected by filing a UCC financing statement.

“Code”: the Internal Revenue Code of 1986, as amended from time to time.

“Collateral”: the meaning assigned to such term in the Guarantee and Collateral Agreement.

“Collateral Agent”: Credit Suisse, in its capacity as collateral agent for the Secured Parties under the Security Documents and any of its successors and permitted assigns in such capacity in accordance with Section 9.9.

“Commitment”: as to any Lender, the sum of the Term Commitments, the Revolving Commitments and the New Loan Commitments (in each case, if any) of such Lender.

“Committed Reinvestment Amount”: as defined in the definition of “Reinvestment Prepayment Amount”.

“Commonly Controlled Entity”: an entity, whether or not incorporated, that is under common control with Holdings within the meaning of Section 4001 of ERISA or is part of a group that includes Holdings and that is treated as a single employer under Section 414(b), (c), (m) or (o) of the Code.

“Commonly Controlled Plan”: as defined in Section 4.12(b).

“**Company**”: as defined in the preamble hereto.

“**Company Reorganization**”: the series of transactions described in the “Project Explorer Summarized Transaction Steps”, dated May 12, 2008, attached as Exhibit D to the Spin-Off Agreement dated as of May 15, 2008 among the Company, Booz & Company Holdings, LLC, Booz & Company Inc., Booz & Company Intermediate I Inc. and Booz & Company Intermediate II Inc., as amended, supplemented or otherwise modified from time to time, provided that any such amendments, supplements or modifications that are, when taken as a whole, materially adverse to the Lenders, shall be reasonably acceptable to the Administrative Agent.

“**Compliance Certificate**”: a certificate duly executed by a Responsible Officer substantially in the form of Exhibit B.

“**Confidential Information**”: as defined in Section 10.14.

“**Consolidated Current Assets**”: at any date, all amounts (other than (a) cash, Cash Equivalents and Permitted Liquid Investments, (b) deferred financing fees and (c) payments for deferred taxes so long as such items described in clauses (b) and (c) are not cash items) that would, in conformity with GAAP, be set forth opposite the caption “total current assets” (or any like caption) on a consolidated balance sheet of the Borrower and its Restricted Subsidiaries at such date.

“**Consolidated Current Liabilities**”: at any date, all amounts that would, in conformity with GAAP, be set forth opposite the caption “total current liabilities” (or any like caption) on a consolidated balance sheet of the Borrower and its Restricted Subsidiaries at such date, but excluding (a) the current portion of any Indebtedness of the Borrower and its Restricted Subsidiaries, (b) without duplication, all Indebtedness consisting of Revolving Loans, L/C Obligations or Swingline Loans, to the extent otherwise included therein, (c) amounts for deferred taxes and non-cash tax reserves accounted for pursuant to FASB Interpretation No. 48 and (d) any equity compensation related liability.

“**Consolidated EBITDA**”: of any Person for any period, Consolidated Net Income of such Person and its Restricted Subsidiaries for such period plus, without duplication and, if applicable, to the extent reflected as a charge in the statement of such Consolidated Net Income (regardless of classification) for such period, the sum of:

(a) provisions for taxes based on income (or similar taxes in lieu of income taxes), profits, capital (or equivalents), including federal, foreign, state, local, franchise, excise and similar taxes and foreign withholding taxes of such Person paid or accrued during such period;

(b) Consolidated Net Interest Expense and, to the extent not reflected in such Consolidated Net Interest Expense, any net losses on hedging obligations or other derivative instruments entered into for the purpose of hedging interest rate risk, amortization or write-off of debt discount and debt issuance costs and commissions, discounts and other fees and charges associated with Indebtedness (including commitment, letter of credit and administrative fees and charges with respect to the Facilities and the Mezzanine Loan Facility);

(c) depreciation and amortization expense and impairment charges (including deferred financing fees, capitalized software expenditures, intangibles (including goodwill), organization costs and amortization of unrecognized prior service costs and actuarial gains and losses related to pensions and other post-employment benefits);

(d) any extraordinary, unusual or non-recurring expenses or losses (including losses on sales of assets outside of the ordinary course of business and restructuring and integration costs or reserves, including any severance costs, costs associated with office and facility openings, closings and consolidations, relocation costs and other non-recurring business optimization expenses);

(e) any other non-cash charges, expenses or losses (except to the extent such charges, expenses or losses represent an accrual of or reserve for cash expenses in any future period or an amortization of a prepaid cash expense paid in a prior period);

(f) stock-option based and other equity-based compensation expenses;

(g) transaction costs, fees, losses and expenses (whether or not any transaction is actually consummated) (including those relating to the Merger Transactions, the transactions contemplated hereby and by the Mezzanine Loan Documents (including any amendments or waivers of the Loan Documents or the Mezzanine Loan Documents), and those payable in connection with the sale of Capital Stock, the incurrence of Indebtedness permitted by Section 7.2, transactions permitted by Section 7.4, Dispositions permitted by Section 7.5, or any Permitted Acquisition or other Investment permitted by Section 7.7 (in each case whether or not successful));

(h) all fees and expenses paid pursuant to the Management Agreement;

(i) proceeds from any business interruption insurance (to the extent not reflected as revenue or income in such statement of such Consolidated Net Income);

(j) the amount of cost savings and other operating improvements and synergies projected by the Borrower in good faith and certified in writing to the Administrative Agent to be realized as a result of any acquisition (including the Merger Transactions) or Disposition (including the termination or discontinuance of activities constituting such business) of business entities or properties or assets, constituting a division or line of business of any business entity, division or line of business that is the subject of any such acquisition or Disposition, or from any operational change taken or committed to be taken during such period (in each case calculated on a pro forma basis as though such cost savings and other operating improvements and synergies had been realized on the first day of such period), net of the amount of actual benefits realized during such period from such actions to the extent already included in the Consolidated Net Income for such period, provided that (i) the Borrower shall have certified to the Administrative Agent that (A) such cost savings, operating improvements and synergies are reasonably anticipated to result from such actions, (B) such actions have been taken, or have been committed to be taken and the benefits resulting therefrom are anticipated by the Borrower to be realized within 12 months and (ii) no cost savings shall be added pursuant to this clause (j) to the extent already included in clause (d) above with respect to such period;

(k) cash expenses relating to earn-outs and similar obligations;

(l) charges, losses, lost profits, expenses or write-offs to the extent indemnified or insured by a third party, including expenses covered by indemnification provisions in any agreement in connection with the Merger Transactions, a Permitted Acquisition or any other acquisition permitted by Section 7.7;

(m) losses recognized and expenses incurred in connection with the effect of currency and exchange rate fluctuations on intercompany balances and other balance sheet items;

(n) costs of surety bonds in connection with financing activities of such Person and its Restricted Subsidiaries; and

(o) costs associated with, or in anticipation of, or preparation for, compliance with the requirements of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith and Public Company Costs;

minus, to the extent reflected as income or a gain in the statement of such Consolidated Net Income for such period, the sum of:

(a) any extraordinary, unusual or non-recurring income or gains (including gains on the sales of assets outside of the ordinary course of business);

(b) any other non-cash income or gains (other than the accrual of revenue in the ordinary course), but excluding any such items (i) in respect of which cash was received in a prior period or will be received in a future period or (ii) which represent the reversal in such period of any accrual of, or reserve for, anticipated cash charges in any prior period where such accrual or reserve is no longer required, all as determined on a consolidated basis; and

(c) gains realized and income accrued in connection with the effect of currency and exchange rate fluctuations on intercompany balances and other balance sheet items;

provided that for purposes of calculating Consolidated EBITDA of the Borrower and its Restricted Subsidiaries for any period, (A) the Consolidated EBITDA of any Person or Properties constituting a division or line of business of any business entity, division or line of business, in each case, acquired by the Borrower or any of the Restricted Subsidiaries during such period and assuming any synergies, cost savings and other operating improvements to the extent certified by the Borrower as having been determined in good faith to be reasonably anticipated to be realizable within 12 months following such acquisition, or of any Subsidiary designated as a Restricted Subsidiary during such period, shall be included on a pro forma basis for such period (but assuming the consummation of such acquisition or such designation, as the case may be, occurred on the first day of such period) and (B) the Consolidated EBITDA of any Person or Properties constituting a division or line of business of any business entity, division or line of business, in each case, Disposed of by the Borrower or any of the Restricted Subsidiaries during such period, or of any Subsidiary designated as an Unrestricted Subsidiary during such period, shall be excluded for such period (assuming the consummation of such Disposition or such designation, as the case may be, occurred on the first day of such period). With respect to each Subsidiary that is not a wholly-owned Subsidiary or any joint venture, for purposes of calculating Consolidated EBITDA, the amount of income attributable to such Subsidiary or joint venture, as applicable, that shall be counted for such purposes shall equal the product of (x) the Borrower's direct and/or indirect percentage ownership of such Subsidiary or joint venture and (y) the aggregate amount of the applicable item of such Subsidiary or joint venture, as applicable, except to the extent the application of GAAP already takes into account the non-wholly owned subsidiary relationship. Notwithstanding the forgoing, Consolidated EBITDA shall be calculated without giving effect to the effects of purchase accounting or similar adjustments required or permitted by GAAP in connection with the Transactions, any Investment (including any Permitted Acquisition) and any other acquisition or Investment. For purposes of determining Consolidated EBITDA under this Agreement, Consolidated EBITDA for the fiscal quarter ended March 31, 2008 shall be deemed to be \$64,635,000. Unless otherwise qualified, all

references to “Consolidated EBITDA” in this Agreement shall refer to Consolidated EBITDA of the Borrower.

“Consolidated Net Income”: of any Person for any period, the consolidated net income (or loss) of such Person and its Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP; provided that in calculating Consolidated Net Income of the Borrower and its consolidated Restricted Subsidiaries for any period, there shall be excluded (a) the income (or loss) of any Person accrued prior to the date it becomes a Restricted Subsidiary or is merged into or consolidated with the Borrower or any of its Subsidiaries and (b) the income (or loss) of any Person (other than a Restricted Subsidiary) in which Holdings, the Borrower or any of its Restricted Subsidiaries has an ownership interest (including any joint venture), except to the extent that any such income is actually received by Holdings, the Borrower or such Restricted Subsidiary in the form of dividends or similar distributions (which dividends and distributions shall be included in the calculation of Consolidated Net Income). Notwithstanding the forgoing, for purposes of calculating Excess Cash Flow, Consolidated Net Income shall not include: (i) extraordinary gains for such period, (ii) the cumulative effect of a change in accounting principles during such period, (iii) any fees and expenses incurred during such period, or any amortization thereof for such period, in connection with any acquisition, investment, recapitalization, asset disposition, issuance or repayment of debt, issuance of equity securities, refinancing transaction or amendment or other modification of any debt instrument (in each case, including any such transaction undertaken but not completed) and any charges or non-recurring merger costs incurred during such period as a result of any such transaction and (iv) any income (loss) for such period attributable to the early extinguishment of Indebtedness or Hedge Agreements. Unless otherwise qualified, all references to “Consolidated Net Income” in this Agreement shall refer to Consolidated Net Income of the Borrower. There shall be excluded from Consolidated Net Income for any period the purchase accounting effects of adjustments to inventory, Property and equipment, software and other intangible assets and deferred revenue required or permitted by GAAP and related authoritative pronouncements (including the effects of such adjustments pushed down to the Borrower and the Restricted Subsidiaries), as a result of the Transactions, any consummated acquisition whether consummated before or after the Closing Date, or the amortization or write-off of any amounts thereof.

“Consolidated Net Interest Coverage Ratio”: as of any date of determination, the ratio of (a) Consolidated EBITDA of the Borrower and its Restricted Subsidiaries for the most recently ended Test Period to (b) Consolidated Net Interest Expense of the Borrower and its Restricted Subsidiaries for such period.

“Consolidated Net Interest Expense”: of any Person for any period, (a) total cash interest expense (including that attributable to Capital Lease Obligations) of such Person and its Restricted Subsidiaries for such period with respect to all outstanding Indebtedness of such Person and its Restricted Subsidiaries, minus (b) the sum of (i) total cash interest income of such Person and its Restricted Subsidiaries for such period (excluding any interest income earned on receivables due from clients), in each case determined in accordance with GAAP plus (ii) any one time financing fees (to the extent included in such Person’s consolidated interest expense for such period), including, with respect to the Borrower, those paid in connection with the Transaction Documents or in connection with any amendment thereof. Unless otherwise qualified, all references to “Consolidated Net Interest Expense” in this Agreement shall refer to Consolidated Net Interest Expense of the Borrower.

“Consolidated Total Assets”: the total assets of the Borrower and its Restricted Subsidiaries, determined on a consolidated basis in accordance with GAAP, as shown on the consolidated balance sheet of the Borrower for the most recently completed fiscal quarter for which financial statements have been delivered pursuant to Section 6.1(a) or (b).

**“Consolidated Total Leverage”**: at any date, (a) the aggregate principal amount of all Funded Debt of the Borrower and its Restricted Subsidiaries on such date, minus (b) cash, Cash Equivalents and, to the extent they are subject to a perfected Lien pursuant to the Security Documents, Permitted Liquid Investments held by the Borrower and its Restricted Subsidiaries on such date, in each case determined on a consolidated basis in accordance with GAAP.

**“Consolidated Total Leverage Ratio”**: as of any date of determination, the ratio of (a) Consolidated Total Leverage on such day to (b) Consolidated EBITDA of the Borrower and the Restricted Subsidiaries for the most recently ended Test Period.

**“Consolidated Working Capital”**: at any date, the difference of (a) Consolidated Current Assets on such date minus (b) Consolidated Current Liabilities on such date, provided that, for purposes of calculating Excess Cash Flow, increases or decreases in Consolidated Working Capital shall be calculated without regard to changes in the working capital balance as a result of non-cash increases or decreases thereof that will not result in future cash payments or receipts or cash payments or receipts in any previous period, in each case, including, without limitation, any changes in Consolidated Current Assets or Consolidated Current Liabilities as a result of (i) any reclassification in accordance with GAAP of assets or liabilities, as applicable, between current and noncurrent, (ii) the effects of purchase accounting and (iii) the effect of fluctuations in the amount of accrued or contingent obligations, assets or liabilities under Hedge Agreements.

**“Continuing Directors”**: the directors of Holdings on the Closing Date and each other director of Holdings, if, in each case, such other director’s nomination for election to the Board of Directors of Holdings is recommended by at least 51% of the then Continuing Directors or such other director receives the vote of the Sponsor and/or its Affiliates (excluding any operating portfolio companies of the Sponsor) or any other Permitted Investor in his or her nomination or election by the shareholders of Holdings.

**“Contractual Obligation”**: as to any Person, any provision of any security issued by such Person or of any written or recorded agreement, instrument or other undertaking to which such Person is a party or by which it or any of its Property is bound.

**“Declined Proceeds”**: the amount of any prepayment declined by the Required Prepayment Lenders or any Tranche B Term Lender, as applicable, in accordance with Sections 2.12(a), 2.12(b), 2.12(c) or 2.12(e), as the case may be, to the extent, in the case of amounts declined in accordance with Section 2.12(e), such declined amounts have not been used to prepay Tranche A Term Loans.

**“Default”**: any of the events specified in Section 8.1, whether or not any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

**“Defaulting Lender”**: any Lender that (a) has failed to fund any portion of the Loans, participations in L/C Obligations or participations in Swingline Loans required to be funded by it hereunder within one Business Day of the date required to be funded by it hereunder unless such failure has been cured, (b) has otherwise failed to pay over to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within one Business Day of the date when due, unless the subject of a good faith dispute or unless such failure has been cured, or (c) has been deemed insolvent or become the subject of a bankruptcy or insolvency proceeding or otherwise has taken any action or become the subject of any action or proceeding of the type described in Section 8.1(f).

“Disinterested Director” : as defined in Section 7.9.

“Derivatives Counterparty”: as defined in Section 7.6.

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

“Disqualified Capital Stock”: Capital Stock that (a) requires the payment of any dividends (other than dividends payable solely in shares of Qualified Capital Stock), (b) matures or is mandatorily redeemable or subject to mandatory repurchase or redemption or repurchase at the option of the holders thereof (other than solely for Qualified Capital Stock), in each case in whole or in part and whether upon the occurrence of any event, pursuant to a sinking fund obligation on a fixed date or otherwise (including as the result of a failure to maintain or achieve any financial performance standards) or (c) are convertible or exchangeable, automatically or at the option of any holder thereof, into any Indebtedness, Capital Stock or other assets other than Qualified Capital Stock, in the case of clauses (a), (b) and (c), prior to the date that is 91 days after the final scheduled maturity date of the Loans (other than (i) upon payment in full of the Obligations (other than indemnification and other contingent obligations not yet due and owing) or (ii) upon a “change in control”; provided that any payment required pursuant to this clause (ii) is subject to the prior repayment in full of the Obligations (other than indemnification and other contingent obligations not yet due and owing) that are accrued and payable and the termination of the Commitments); provided further, however, that if such Capital Stock is issued to any employee or to any plan for the benefit of employees of the Borrower or the Subsidiaries or by any such plan to such employees, such Capital Stock shall not constitute Disqualified Capital Stock solely because it may be required to be repurchased by the Borrower in order to satisfy applicable statutory or regulatory obligations or as a result of such employee’s termination, death or disability.

“Disqualified Institution”: (i) those institutions identified by the Borrower in writing to the Administrative Agent prior to the Closing Date or, with the consent of the Administrative Agent (not to be unreasonably withheld; consent of the Administrative Agent shall be deemed to have been given if the Administrative Agent does not object within 5 Business Days after identification of an institution) from time to time thereafter, and their known Affiliates and (ii) business competitors of the Borrower and its Subsidiaries or the Company identified by Borrower in writing to the Administrative Agent from time to time and their known Affiliates.

“Documentation Agents”: as defined in the preamble hereto.

“Dollars” and “\$”: dollars in lawful currency of the United States.

“Domestic Subsidiary”: any direct or indirect Restricted Subsidiary organized under the laws of any jurisdiction within the United States.

“Environmental Laws”: any and all applicable laws, rules, orders, regulations, statutes, ordinances, codes or decrees (including, without limitation, common law) of any international authority, foreign government, the United States, or any state, provincial, local, municipal or other governmental authority, regulating, relating to or imposing liability or standards of conduct concerning protection of the environment, natural resources or human health and safety as it relates to Releases of Materials of Environmental Concern, as has been, is now, or at any time hereafter is, in effect.



“Environmental Liability”: any liability, claim, action, suit, judgment or order under or relating to any Environmental Law for any damages, injunctive relief, losses, fines, penalties, fees, expenses (including reasonable fees and expenses of attorneys and consultants) or costs, whether contingent or otherwise, including those arising from or relating to: (a) compliance or non-compliance with any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Materials of Environmental Concern, (c) exposure to any Materials of Environmental Concern, (d) the Release of any Materials of Environmental Concern 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 Issuance”: any issuance by Holdings, the Borrower or any Restricted Subsidiary of its Capital Stock in a public or private offering.

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

“Eurocurrency Base Rate”: with respect to each day during each Interest Period, the rate per annum determined by reference to the British Bankers’ Association Interest Settlement Rates for deposits in Dollars for a period equal to such Interest Period commencing on the first day of such Interest Period appearing on the Screen as of 11:00 A.M., London time, two Business Days prior to the beginning of such Interest Period, as the Eurocurrency Rate for deposits denominated with a maturity comparable to such Interest Period. In the event that such rate does not appear on the Screen at such time for any reason, then the “Eurocurrency Base Rate” shall be determined by reference to such other comparable publicly available service for displaying eurocurrency rates as may be selected by the Administrative Agent or, in the absence of such availability, by reference to the rate at which the Administrative Agent is offered deposits at or about 11:00 A.M., London time, two Business Days prior to the beginning of such Interest Period in the interbank eurocurrency market where its eurodollar and exchange operations are then being conducted for delivery on the first day of such Interest Period for the number of days comprised therein.

“Eurocurrency Loans”: Loans the rate of interest applicable to which is based upon the Eurocurrency Rate.

“Eurocurrency Rate”: with respect to each day during each Interest Period pertaining to a Eurocurrency Loan, a rate per annum determined for such day in accordance with the following formula:

$$\frac{\text{Eurocurrency Base Rate}}{1.00 - \text{Eurocurrency Reserve Requirements}}$$

“Eurocurrency Reserve Requirements”: for any day as applied to a Eurocurrency Loan, the aggregate (without duplication) of the maximum rates (expressed as a decimal fraction) of reserve requirements in effect on such day (including basic, supplemental, marginal and emergency reserves) under any regulations of the Board or other Governmental Authority having jurisdiction with respect thereto dealing with reserve requirements prescribed for eurocurrency funding (currently referred to as “Eurocurrency Liabilities” in Regulation D of the Board) maintained by a member bank of the Federal Reserve System.

“Eurocurrency Tranche”: the collective reference to Eurocurrency Loans under a particular Facility the then current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Loans shall originally have been made on the same day).

“Event of Default”: any of the events specified in Section 8.1; provided that any requirement set forth therein for the giving of notice, the lapse of time, or both, has been satisfied.

“Excess Cash Flow”: for any fiscal year of the Borrower, the difference, if any, of (a) the sum, without duplication, of (i) Consolidated Net Income of the Borrower for such fiscal year, (ii) the amount of all non-cash charges (including depreciation, amortization and deferred tax expense) deducted in arriving at such Consolidated Net Income and cash receipts included in clause (i) of the definition of “Consolidated Net Income” and excluded in arriving at such Consolidated Net Income, (iii) the amount of the decrease, if any, in Consolidated Working Capital for such fiscal year (excluding any decrease in Consolidated Working Capital relating to leasehold improvements for which the Borrower or any of its Subsidiaries is reimbursed in cash or receives a credit) and (iv) the aggregate net amount of non-cash loss on the Disposition of Property by the Borrower and its Restricted Subsidiaries during such fiscal year (other than sales of inventory in the ordinary course of business), to the extent deducted in arriving at such Consolidated Net Income; minus (b) the sum, without duplication (including, in the case of clauses (ii) and (viii) below, duplication across periods (provided that all or any portion of the amounts referred to in clauses (ii) and (viii) below with respect to a period may be applied in the determination of Excess Cash Flow for any subsequent period to the extent such amounts did not previously result in a reduction of Excess Cash Flow in any prior period)) of:

(i) the amount of all non-cash gains or credits included in arriving at such Consolidated Net Income (including, without limitation, credits included in the calculation of deferred tax assets and liabilities) and cash charges excluded in clauses (i) through (iv) of the definition of “Consolidated Net Income” and included in arriving at such Consolidated Net Income;

(ii) the aggregate amount (A) actually paid by the Borrower and its Restricted Subsidiaries in cash during such fiscal year on account of Capital Expenditures and Permitted Acquisitions and (B) committed during such fiscal year to be used to make Capital Expenditures or Permitted Acquisitions which in either case have been actually made or consummated or for which a binding agreement exists as of the time of determination of Excess Cash Flow for such fiscal year (in each case under this clause (ii) other than to the extent any such Capital Expenditure or Permitted Acquisition is made (or, in the case of the preceding clause (B), is expected to be made) with the proceeds of new long-term Indebtedness or an Equity Issuance or with the proceeds of any Reinvestment Deferred Amount);

(iii) the aggregate amount of all regularly scheduled principal payments and all prepayments of Indebtedness (including, without limitation, the Term Loans and, if applicable, the Mezzanine Loans) of the Borrower and its Restricted Subsidiaries made during such fiscal year (other than in respect of any revolving credit facility to the extent there is not an equivalent permanent reduction in commitments thereunder and other than to the extent any such prepayments are the result of the incurrence of additional indebtedness and other than optional prepayments of the Term Loans and optional prepayments of Revolving Loans and Swingline Loans to the extent accompanied by permanent optional reductions of the Revolving Commitments);

(iv) the amount of the increase, if any, in Consolidated Working Capital for such fiscal year (excluding any increase in Consolidated Working Capital relating to leasehold improvements for which the Borrower or any of its Subsidiaries is reimbursed in cash or receives a credit);

(v) the aggregate net amount of non-cash gain on the Disposition of Property by the Borrower and its Restricted Subsidiaries during such fiscal year (other than sales of inventory in the ordinary course of business), to the extent included in arriving at such Consolidated Net Income;

(vi) fees and expenses incurred in connection with the Transactions or any Permitted Acquisition (whether or not consummated);

(vii) purchase price adjustments paid or received in connection with the Merger Transactions, any Permitted Acquisition or any other acquisition permitted under Section 7.7(h) or (v);

(viii) (A) the net amount of Investments made during such period pursuant to paragraphs (d), (f), (h), (l), (v) and (y) of Section 7.7 (to the extent, in the case of clause (y), such Investment relates to Restricted Payments permitted under Section 7.6(c), (e), (h) or (i)) or committed during such period to be used to make Investments pursuant to such paragraphs of Section 7.7 which have been actually made or for which a binding agreement exists as of the time of determination of Excess Cash Flow for such period (but excluding Investments among the Borrower and its Restricted Subsidiaries) and (B) permitted Restricted Payments made in each case by the Borrower during such period and permitted Restricted Payments made by any Restricted Subsidiary to any Person other than Holdings, the Borrower or any of the Restricted Subsidiaries during such period, in each case, to the extent permitted by Section 7.6(c), (e), (h) or (i); provided that the amount of Restricted Payments made pursuant to Section 7.6(e) and deducted pursuant to this clause (viii) shall not exceed \$10,000,000 in any fiscal year;

(ix) the amount (determined by the Borrower) of such Consolidated Net Income which is mandatorily prepaid or reinvested pursuant to Section 2.12(b) (or as to which a waiver of the requirements of such Section applicable thereto has been granted under Section 10.1) prior to the date of determination of Excess Cash Flow for such fiscal year as a result of any Asset Sale or Recovery Event;

(x) the aggregate amount of any premium or penalty actually paid in cash that is required to be made in connection with any prepayment of Indebtedness;

(xi) cash payments by the Borrower and its Restricted Subsidiaries during such period in respect of long-term liabilities of the Borrower and its Subsidiaries other than Indebtedness;

(xii) the aggregate amount of expenditures actually made by the Borrower and its Restricted Subsidiaries in cash during such period (including expenditures for the payment of financing fees) to the extent that such expenditures are not expensed during such period and are not deducted in calculating Consolidated Net Income;

(xiii) cash expenditures in respect of Hedge Agreements during such period to the extent not deducted in arriving at such Consolidated Net Income;

(xiv) the amount of taxes (including penalties and interest) paid in cash in such period or tax reserves set aside or payable (without duplication) in such period to the extent they exceed the amount of tax expense deducted in determining Consolidated Net Income for such period;

(xv) the amount of cash payments made in respect of pensions and other post-employment benefits in such period;

(xvi) payments made in respect of the minority equity interests of third parties in any non-wholly owned Restricted Subsidiary in such period, including pursuant to dividends declared or paid on Capital Stock held by third parties in respect of such non-wholly-owned Restricted Subsidiary; and

(xvii) the amount representing accrued expenses for cash payments (including with respect to retirement plan obligations) that are not paid in cash in such fiscal year, provided that such amounts will be added to Consolidated Excess Cash Flow for the following fiscal year to the extent not paid in cash during such following fiscal year.

“Excess Cash Flow Application Date”: as defined in Section 2.12(c).

“Excess Cash Flow Percentage”: 50%; provided that the Excess Cash Flow Percentage shall be reduced to (a) 25% if the Consolidated Total Leverage Ratio as of the last day of the relevant fiscal year is not greater than 3.75 to 1.00 and (b) to 0% if the Consolidated Total Leverage Ratio as of the last day of the relevant fiscal year is not greater than 2.25 to 1.00.

“Excluded Capital Stock”: (a) any Capital Stock with respect to which, in the reasonable judgment of Administrative Agent (confirmed by notice to the Borrower), (i) the cost of pledging such Capital Stock in favor of the Secured Parties under the Security Documents shall be excessive in view of the benefits to be obtained by the Lenders therefrom or (ii) would result in adverse tax consequences, (b) solely in the case of any pledge of Capital Stock of any Foreign Subsidiary or any Foreign Subsidiary Holding Company to secure the Obligations, any Capital Stock of any class of such Foreign Subsidiary or such Foreign Subsidiary Holding Company in excess of 65% of the outstanding Capital Stock of such class (such percentage to be adjusted by mutual agreement (not to be unreasonably withheld) upon any change in law as may be required to avoid adverse U.S. federal income tax consequences to the Borrower or any Subsidiary), (c) any Capital Stock to the extent the pledge thereof would violate any applicable Requirement of Law, (d) the Capital Stock of any Special Purpose Entity, any Immaterial Subsidiary (for so long as such Subsidiary remains an Immaterial Subsidiary) or any Unrestricted Subsidiary and (e) in the case of any Capital Stock of any Subsidiary that is subject of a Lien permitted under Section 7.3(g) securing Indebtedness permitted under Section 7.2(t) or (u) any Capital Stock of each such Subsidiary to the extent that (i) a pledge thereof to secure the Obligations is prohibited by any applicable Contractual Obligations (other than customary non-assignment provisions which are ineffective under the Uniform Commercial Code) or (ii) any Contractual Obligation prohibits such a pledge without the consent of the other party; provided that this clause (ii) shall not apply if (A) such other party is a Loan Party or a wholly-owned Subsidiary or (B) consent has been obtained to consummate such pledge and for so long as such Contractual Obligation or replacement or renewal thereof is in effect or (iii) a pledge thereof to secure the Obligations would give any other party to a Contractual Obligation the right to terminate its obligations thereunder (other than customary non-assignment provisions which are ineffective under the Uniform Commercial Code or other applicable law); provided that this clause (iii) shall not apply if such other party is a Loan Party or a wholly-owned Subsidiary.

“Excluded Collateral”: as defined in Section 4.17(a).

“Excluded Real Property”: (a) any Real Property that is subject to a Lien expressly permitted by Section 7.3(g) or 7.3(z), (b) any Real Property with respect to which, in the reasonable judgment of Administrative Agent (confirmed by notice to the Borrower) the cost of providing a

mortgage on such Real Property in favor of the Secured Parties under the Security Documents shall be excessive in view of the benefits to be obtained by the Lenders therefrom and (c) any Real Property to the extent providing a mortgage on such Real Property would (i) result in adverse tax consequences as reasonably determined by the Administrative Agent, (ii) violate any applicable Requirement of Law, (iii) be prohibited by any applicable Contractual Obligations (other than customary non-assignment provisions which are ineffective under the Uniform Commercial Code) or (iv) give any other party (other than a Loan Party or a wholly-owned Subsidiary) to any contract, agreement, instrument or indenture governing such Real Property the right to terminate its obligations thereunder (other than customary non-assignment provisions which are ineffective under the Uniform Commercial Code or other applicable law).

**"Excluded Subsidiary"**: (a) each Domestic Subsidiary which is an Immaterial Subsidiary as of the Closing Date and listed on Schedule 1.1 and each future Domestic Subsidiary which is an Immaterial Subsidiary, in each case, for so long as such Subsidiary remains an Immaterial Subsidiary, (b) each Domestic Subsidiary that is not a wholly-owned Subsidiary on any date such Subsidiary would otherwise be required to become a Guarantor pursuant to the requirements of Section 6.8(c) (for so long as such Subsidiary remains a non-wholly-owned Restricted Subsidiary), (c) any Foreign Subsidiary Holding Company, (d) each Domestic Subsidiary that is a Subsidiary of a Foreign Subsidiary, (e) each Unrestricted Subsidiary, (f) each Domestic Subsidiary to the extent that (i) such Domestic Subsidiary is prohibited by any applicable Contractual Obligation or Requirement of Law from guaranteeing the Obligations, (ii) any Contractual Obligation prohibits such guarantee without the consent of the other party or (iii) a guarantee of the Obligations would give any other party to a Contractual Obligation the right to terminate its obligation thereunder; provided that clauses (ii) and (iii) shall not be applicable if (A) such other party is a Loan Party or a wholly-owned Subsidiary or (B) consent has been obtained to provide such pledge and for so long as such Contractual Obligation or replacement or renewal thereof is in effect, (g) any Subsidiary that is a Special Purpose Entity or (h) any other Domestic Subsidiary with respect to which, in the reasonable judgment of the Administrative Agent (confirmed by notice to the Borrower) the cost of providing a guarantee is excessive in view of the benefits to be obtained by the Lenders.

**"Facility"**: each of (a) the Tranche A Term Commitments and the Tranche A Term Loans made thereunder (the **"Tranche A Term Facility"**), (b) the Tranche B Term Commitments and the Tranche B Term Loans made thereunder (the **"Tranche B Term Facility"**), (c) any New Loan Commitments and the New Loans made thereunder (a **"New Facility"**) and (d) the Revolving Commitments and the extensions of credit made thereunder (the **"Revolving Facility"**).

**"Federal Funds Effective Rate"**: for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for the day of such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by it.

**"Fee Payment Date"**: commencing on September 30, 2008, (a) the last Business Day of each March, June, September and December and (b) the last day of the Revolving Commitment Period.

**"Foreign Subsidiary"**: any Restricted Subsidiary of the Borrower that is not a Domestic Subsidiary.

“Foreign Subsidiary Holding Company”: any Restricted Subsidiary of the Borrower which is a Domestic Subsidiary substantially all of the assets of which consist of the Capital Stock of one or more Foreign Subsidiaries.

“Funded Debt”: with respect to any Person, all Indebtedness of such Person of the types described in clauses (a), (b), (e), (g)(ii) or, to the extent related to Indebtedness of the types described in the preceding clauses, (d) of the definition of “Indebtedness”.

“Funding Office”: the office of the Administrative Agent specified in Section 10.2 or such other office as may be specified from time to time by the Administrative Agent as its funding office by written notice to the Borrower and the Lenders.

“GAAP”: generally accepted accounting principles in the United States as in effect from time to time.

“Governmental Authority”: any nation or government, any state, province or other political subdivision thereof and any governmental entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and, as to any Lender, any securities exchange and any self regulatory organization (including the National Association of Insurance Commissioners).

“Government Contracts”: as defined in the Guarantee and Collateral Agreement.

“Guarantee and Collateral Agreement”: the Guarantee and Collateral Agreement to be executed and delivered by Holdings, the Borrower and each Subsidiary Guarantor, substantially in the form of Exhibit A, as the same may be amended, supplemented or otherwise modified from time to time.

“Guarantee Obligation”: as to any Person (the “guaranteeing person”), any obligation of (a) the guaranteeing person or (b) another Person (including, without limitation, any bank under any letter of credit) pursuant to which the guaranteeing person has issued a guarantee, reimbursement, counterindemnity or similar obligation, in either case guaranteeing or by which such Person becomes contingently liable for any Indebtedness (the “primary obligations”) of any other third Person (the “primary obligor”) in any manner, whether directly or indirectly, including, without limitation, any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any Property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase Property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business and reasonable indemnity obligations in effect on the Closing Date or entered into in connection with any acquisition or disposition of assets or any Investment permitted under this Agreement. The amount of any Guarantee Obligation of any guaranteeing Person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (b) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case, the amount of such Guarantee Obligation shall be

such guaranteeing person's maximum reasonably anticipated liability in respect thereof (assuming such person is required to perform thereunder) as determined by such Person in good faith.

**"Guarantors"**: the collective reference to Holdings and the Subsidiary Guarantors.

**"Hedge Agreements"**: all agreements with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more 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, in each case, entered into by the Borrower or any Restricted Subsidiary.

**"Holdings"**: as defined in the preamble hereto.

**"Holdings IPO"**: the issuance by Holdings or any Parent Company of its common Capital Stock in an underwritten primary public offering (other than a public offering pursuant to a registration statement on Form S-8) pursuant to an effective registration statement filed with the SEC in accordance with the Securities Act whether alone or in connection with a secondary public offering.

**"Immaterial Subsidiary"**: on any date, any Subsidiary of the Borrower that has had less than 5% of Consolidated Total Assets and 5% of annual consolidated revenues of the Borrower and its Restricted Subsidiaries as reflected on the most recent financial statements delivered pursuant to Section 6.1 prior to such date; provided that at no time shall all Immaterial Subsidiaries have in the aggregate Consolidated Total Assets or annual consolidated revenues (as reflected on the most recent financial statements delivered pursuant to Section 6.1 prior to such time) in excess of 7.5% of Consolidated Total Assets or annual consolidated revenues, respectively, of the Borrower and its Restricted Subsidiaries.

**"Increased Amount Date"**: as defined in Section 2.25.

**"Indebtedness"** of any Person: without duplication, (a) all indebtedness 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 for the deferred purchase price of Property or services already received, (d) all Guarantee Obligations by such Person of Indebtedness of others, (e) all Capital Lease Obligations of such Person, (f) all payments that such Person would have to make in the event of an early termination, on the date Indebtedness of such Person is being determined in respect of outstanding Hedge Agreements (such payments in respect of any Hedge Agreement with a counterparty being calculated subject to and in accordance with any netting provisions in such Hedge Agreement), (g) the principal component of all obligations, contingent or otherwise, of such Person (i) as an account party in respect of letters of credit (other than any letters of credit, bank guarantees or similar instrument in respect of which a back-to-back letter of credit has been issued under or permitted by this Credit Agreement) and (ii) in respect of bankers' acceptances; provided that Indebtedness shall not include (A) trade and other ordinary course payables, accrued expenses and intercompany liabilities arising in the ordinary course of business, (B) prepaid or deferred revenue arising in the ordinary course of business, (C) purchase price holdbacks arising in the ordinary course of business in respect of a portion of the purchase price of an asset to satisfy unperformed obligations of the seller of such asset or (D) earn-out and other contingent obligations until such obligations become a liability on the balance sheet of such Person in accordance with GAAP. The Indebtedness of any Person shall include the Indebtedness of any partnership in which such Person is a general Partner, other than to the extent that the instrument or agreement evidencing such Indebtedness expressly limits the liability of such Person in respect thereof.

**"Indebtedness for Borrowed Money"**: (a) to the extent the following would be reflected on a consolidated balance sheet of the Borrower and its Restricted Subsidiaries prepared in accordance with GAAP, the principal amount of all Indebtedness of the Borrower and its Restricted Subsidiaries with respect to (i) borrowed money, evidenced by debt securities, debentures, acceptances, notes or other similar instruments and (ii) Capital Lease Obligations, (b) reimbursement obligations for letters of credit and financial guarantees (without duplication) (other than ordinary course of business contingent reimbursement obligations) and (c) Hedge Agreements; provided that the Obligations shall not constitute Indebtedness for Borrowed Money.

**"Indemnified Liabilities"**: as defined in Section 10.5.

**"Indemnitee"**: as defined in Section 10.5.

**"Initial Borrower"**: as defined in the preamble hereto.

**"Insolvency"**: with respect to any Multiemployer Plan, the condition that such Plan is insolvent within the meaning of Section 4245 of ERISA.

**"Insolvent"**: pertaining to a condition of Insolvency.

**"Instrument"**: as defined in the Guarantee and Collateral Agreement.

**"Intellectual Property"**: the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including, without limitation, copyrights, copyright licenses, domain names, patents, patent licenses, trademarks, trademark licenses, trade names, technology, know-how and processes, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

**"Interest Payment Date"**: (a) commencing on September 30, 2008, as to any ABR Loan, the last Business Day of each March, June, September and December to occur while such Loan is outstanding and the final maturity date of such Loan, (b) as to any Eurocurrency Loan having an Interest Period of three months or less, the last day of such Interest Period, (c) as to any Eurocurrency Loan having an Interest Period longer than three months, each day that is three months, or a whole multiple thereof, after the first day of such Interest Period and the last day of such Interest Period and (d) as to any Loan (other than any Revolving Loan that is an ABR Loan and any Swingline Loan), the date of any repayment or prepayment made in respect thereof.

**"Interest Period"**: as to any Eurocurrency Loan, (a) initially, the period commencing on the borrowing or conversion date, as the case may be, with respect to such Eurocurrency Loan and ending one, two, three or six or (if available from all Lenders under the relevant Facility) nine or twelve months (or such other period acceptable to all such Lenders) thereafter, as selected by the Borrower in its notice of borrowing or notice of continuation or conversion, as the case may be, given with respect thereto; and (b) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Eurocurrency Loan and ending one, two, three or six or (with the consent of each affected Lender under the relevant Facility) nine or twelve months (or such other period acceptable to all such Lenders) thereafter, as selected by the Borrower by irrevocable notice to the Administrative Agent not later than 1:00 P.M., New York City time, on the date that is three Business Days prior to the last day of the then current Interest Period with respect thereto; provided that all of the foregoing provisions relating to Interest Periods are subject to the following:



(i) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month in which event such Interest Period shall end on the immediately preceding Business Day;

(ii) any Interest Period that would otherwise extend beyond the scheduled Revolving Termination Date or beyond the date final payment is due on the Term Loans shall end on the Revolving Termination Date or such due date, as applicable; and

(iii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of a calendar month.

“Investments”: as defined in Section 7.7.

“Issuing Lenders”: (a) Credit Suisse and (b) any other Revolving Lender from time to time designated by the Borrower, in its sole discretion, as an Issuing Lender with the consent of such other Revolving Lender.

“Joinder Agreement”: an agreement substantially in the form of Exhibit H.

“L/C Commitment”: \$30,000,000.

“L/C Obligations”: at any time, an amount equal to the sum of (a) the aggregate then undrawn and unexpired face amount of the then outstanding Letters of Credit and (b) the aggregate amount of drawings under Letters of Credit that have not then been reimbursed. The L/C Obligations of any Lender at any time shall be its Revolving Percentage of the total L/C Obligations at such time.

“L/C Participants”: the collective reference to all the Revolving Lenders other than the applicable Issuing Lender.

“Lead Arrangers”: Banc of America Securities LLC, Credit Suisse Securities (USA) LLC and Lehman Brothers Inc. in their capacity as joint lead arrangers and joint bookrunners.

“Lenders”: as defined in the preamble hereto.

“Letters of Credit”: as defined in Section 3.1(a).

“Lien”: any mortgage, pledge, hypothecation, collateral assignment, encumbrance, lien (statutory or other), charge or other security interest or any other security agreement of any kind or nature whatsoever (including any conditional sale or other title retention agreement and any capital lease having substantially the same economic effect as any of the foregoing). For the avoidance of doubt, it is understood and agreed that the Borrower and any Restricted Subsidiary may, as part of its business, grant licenses to third parties to use Intellectual Property owned or developed by, or licensed to, such entity. For purposes of this Agreement and the other Loan Documents, such licensing activity, and licenses granted pursuant to the Merger Documents, shall not constitute a “Lien” on such Intellectual Property. Each of the Administrative Agent and each Lender understands that any such licenses may be exclusive to the applicable licensees, and such exclusivity provisions may limit the ability of the Administrative Agent to utilize, sell, lease, license or transfer the related Intellectual Property or otherwise realize value from such Intellectual Property pursuant hereto.

“Loan”: any loan made by any Lender pursuant to this Agreement.

“Loan Documents”: the collective reference to this Agreement, the Security Documents and the Notes (if any) and any amendment, waiver, supplement or other modification to any of the foregoing.

“Loan Parties”: Holdings, the Borrower and each Subsidiary Guarantor.

“Majority Facility Lenders”: with respect to any Facility, the holders of more than 50% of the aggregate unpaid principal amount of the Tranche A Term Loans, Tranche B Term Loans, New Loans or the Revolving Extensions of Credit, as the case may be, outstanding under such Facility (or (i) in the case of the Revolving Facility, prior to any termination of the Revolving Commitments under such Facility, the holders of more than 50% of the Revolving Commitments under such Facility or (ii) in the case of any New Facility that is a revolving credit facility, prior to any termination of the New Loan Commitments under such Facility, the holders of more than 50% of the New Loan Commitments under such Facility); provided, however, that determinations of the “Majority Facility Lenders” shall exclude any Commitments or Loans held by the Carlyle Fund.

“Majority Revolving Facility Lenders”: the Majority Facility Lenders in respect of the Revolving Facility.

“Majority Tranche A Term Facility Lenders”: the Majority Facility Lenders in respect of the Tranche A Term Facility.

“Majority Tranche B Term Facility Lenders”: the Majority Facility Lenders in respect of the Tranche B Term Facility.

“Management Agreement”: the Management Agreement, by and between Explorer Holding Corporation, the Borrower and TC Group V, L.L.C., as in effect on the Closing Date and as modified from time to time with the consent of the Administrative Agent (which consent shall not be unreasonably withheld or delayed).

“Mandatory Prepayment Date”: as defined in Section 2.12(e).

“Material Adverse Effect”: a material adverse effect on (a) the business, operations, assets, financial condition or results of operations of the Borrower and its Restricted Subsidiaries, taken as a whole, or (b) the material rights and remedies available to the Administrative Agent and the Lenders, taken as a whole, under the Loan Documents.

“Material Real Property”: any Real Property located in the United States and owned in fee by a Loan Party on the Closing Date having an estimated fair market value (in the good faith judgment of such Loan Party) exceeding \$2,000,000 and any after-acquired Real Property located in the United States owned by a Loan Party having a gross purchase price exceeding \$2,000,000 at the time of acquisition.

“Material Subsidiary”: any Subsidiary that is not an Immaterial Subsidiary.

“Materials of Environmental Concern”: any gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products, polychlorinated biphenyls, urea-formaldehyde insulation,

asbestos, pollutants, contaminants, radioactivity and any other substances that are defined as hazardous or toxic under any Environmental Law, that are regulated pursuant to any Environmental Law.

“Merger Agreement”: the Agreement and Plan of Merger, dated as of May 15, 2008, by and among, Holdings, the Company, Explorer Holding Corporation, the Initial Borrower and Booz & Company Inc.

“Merger Documents”: collectively, the Merger Agreement, the Spin Off Agreement, and all schedules, exhibits, annexes and amendments thereto (including the execution versions of any agreements that are exhibits or annexes thereto), in each case, as amended, supplemented or otherwise modified from time to time.

“Merger Transactions”: the transactions contemplated by the Merger Documents.

“Mezzanine Facility Indebtedness”: Indebtedness incurred under the Mezzanine Loan Facility.

“Mezzanine Loan Agreement”: the Mezzanine Credit Agreement, dated as of July 31, 2008, among the Borrower, the lenders from time to time parties thereto, Credit Suisse, as administrative agent, and Credit Suisse Securities (USA) LLC, Banc of America Securities LLC and Lehman Brothers Inc., as joint lead arrangers and joint bookrunners, as such agreement may be amended, supplemented or otherwise modified from time to time or refunded, refinanced, restructured, replaced, renewed, repaid, increased or extended from time to time to the extent not prohibited by this Agreement (whether in whole or in part, whether with the original administrative agent and lenders or other agents and lenders or otherwise, and whether provided under the original Mezzanine Loan Agreement or other credit agreements, indentures or otherwise, unless such agreement or instrument expressly provides that it is not intended to be and is not a Mezzanine Loan Agreement hereunder).

“Mezzanine Loan Documents”: the Loan Documents as defined in the Mezzanine Loan Agreement or any other documentation evidencing any Mezzanine Loan Facility, as the same may be amended, supplemented or otherwise modified, extended, renewed, refinanced or replaced from time to time to the extent not prohibited by this Agreement.

“Mezzanine Loan Facility”: the collective reference to the Mezzanine Loan Agreement, any Mezzanine Loan Documents, any notes issued pursuant thereto and any guarantee agreement, and other instruments and documents executed and delivered pursuant to or in connection with any of the foregoing, in each case as the same may be amended, supplemented or otherwise modified from time to time, or refunded, refinanced, restructured, replaced, renewed, repaid, increased or extended from time to time (whether in whole or in part, whether with the original agent and lenders or other agents and lenders or otherwise, and whether provided under the original Mezzanine Loan Agreement or other credit agreements, indentures or otherwise, unless such agreement expressly provides that it is not intended to be and is not a Mezzanine Loan Facility hereunder).

“Mezzanine Loans”: the loans made pursuant to the Mezzanine Loan Agreement.

“Moody's”: Moody's Investors Service, Inc. or any successor to the rating agency business thereof.

“Mortgaged Properties”: all Real Property that shall be subject to a Mortgage that is delivered pursuant to the terms of this Agreement.

**“Mortgage”**: any mortgage, deed of trust, hypothec, assignment of leases and rents or other similar document delivered on or after the Closing Date by any Loan Party in favor of, or for the benefit of, the Collateral Agent for the benefit of the Secured Parties, with respect to Mortgaged Properties, each substantially in form and substance reasonably acceptable to the Administrative Agent and the Borrower (taking into account the law of the jurisdiction in which such mortgage, deed of trust, hypothec or similar document is to be recorded), as the same may be amended, restated, amended and restated, supplemented or otherwise modified from time to time.

**“Multiemployer Plan”**: a Plan that is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

**“Net Cash Proceeds”**: (a) in connection with any Asset Sale or any Recovery Event, the proceeds thereof in the form of cash, Cash Equivalents and Permitted Liquid Investments (including any such proceeds received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but only as and when received) received by any Loan Party, net of (i) attorneys’ fees, accountants’ fees, investment banking fees, consulting fees, amounts required to be applied to the repayment of Indebtedness secured by a Lien expressly permitted hereunder on any asset which is the subject of such Asset Sale or Recovery Event (other than any Lien pursuant to a Security Document) and other customary fees and expenses actually incurred by any Loan Party in connection therewith; (ii) taxes paid or reasonably estimated to be payable by any Loan Party as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements); (iii) the amount of any reasonable reserve established in accordance with GAAP against any liabilities (other than any taxes deducted pursuant to clause (ii) above) (A) associated with the assets that are the subject of such event and (B) retained by the Borrower or any of the Restricted Subsidiaries, provided that the amount of any subsequent reduction of such reserve (other than in connection with a payment in respect of any such liability) shall be deemed to be Net Cash Proceeds of such event occurring on the date of such reduction and (iv) the pro rata portion of the Net Cash Proceeds thereof (calculated without regard to this clause (iv)) attributable to minority interests and not available for distribution to or for the account of the Borrower or any Domestic Subsidiary as a result thereof and (b) in connection with any Equity Issuance or other issuance or sale of debt securities or instruments or the incurrence of Funded Debt, the cash proceeds received from such issuance or incurrence, net of attorneys’ fees, investment banking fees, accountants’ fees, consulting fees, underwriting discounts and commissions and other customary fees and expenses actually incurred in connection therewith.

**“New Facility”**: as defined in the definition of “Facility”.

**“New Lender”**: as defined in Section 2.25.

**“New Loan Commitments”**: as defined in Section 2.25.

**“New Loans”**: any loan made by any New Lender pursuant to this Agreement.

**“New Revolving Loans”**: as defined in Section 2.25.

**“New Subsidiary”**: as defined in Section 7.2(t).

**“New Term Lender”**: a Lender that has a New Term Loan.

**“New Term Loans”**: as defined in Section 2.25.

“Non-Excluded Subsidiary”: any Subsidiary of the Borrower which is not an Excluded Subsidiary.

“Non-Excluded Taxes”: as defined in Section 2.20(a).

“Non-Guarantor Subsidiary”: any Subsidiary of the Borrower which is not a Subsidiary Guarantor.

“Non-Recourse Debt”: Indebtedness (a) with respect to which no default would permit (upon notice, lapse of time or both) any holder of any other Indebtedness of Holdings, the Borrower or any of its Restricted Subsidiaries to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity and (b) as to which the lenders or holders thereof will not have any recourse to the capital stock or assets of Holdings, the Borrower or any of its Restricted Subsidiaries.

“Non-US Lender”: as defined in Section 2.20(d).

“Note”: any promissory note evidencing any Loan, which promissory note shall be in the form of Exhibit J-1, Exhibit J-2 or Exhibit J-3, as applicable, or such other form as agreed upon by the Administrative Agent and the Borrower.

“Obligations”: the unpaid principal of and interest on (including, without limitation, interest accruing after the maturity of the Loans and Reimbursement Obligations and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed or allowable in such proceeding) the Loans, the Reimbursement Obligations and all other obligations and liabilities of the Borrower to the Administrative Agent, the Collateral Agent or to any Lender (or, in the case of Specified Hedge Agreements or Cash Management Obligations of the Borrower or any of its Subsidiaries to the Administrative Agent, the Collateral Agent, any Lender or any affiliate of any Lender), whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, in each case, which may arise under, out of, or in connection with, this Agreement, any other Loan Document, the Letters of Credit, any Specified Hedge Agreement or Cash Management Obligations or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including, without limitation, all fees, charges and disbursements of counsel to the Administrative Agent or any Lender that are required to be paid by the Borrower pursuant hereto) or otherwise; provided that (a) obligations of the Borrower or any of the Subsidiary Guarantors under any Specified Hedge Agreement or any Cash Management Obligations shall be secured and guaranteed pursuant to the Security Documents only to the extent that, and for so long as, the other Obligations are so secured and guaranteed and (b) any release of Collateral or Guarantors effected in the manner permitted by this Agreement shall not require the consent of holders of obligations under Specified Hedge Agreements or Cash Management Obligations.

“Offer”: as defined in Section 2.11(c)(i).

“Offer Loans”: as defined in Section 2.11(c)(i).

“Other Taxes”: any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the

execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

“Parent Company”: any direct or indirect parent of Holdings.

“Participant”: as defined in Section 10.6(c).

“Payment Amount”: as defined in Section 3.5.

“PBGC”: the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA (or any successor).

“Permitted Acquisition”: (a) any acquisition (including, if applicable, in the case of any Intellectual Property, by way of license) approved by the Required Lenders, (b) any acquisition made solely with the Net Cash Proceeds of any substantially concurrent Equity Issuance or capital contribution (other than Disqualified Capital Stock) or (c) any acquisition of a majority controlling interest in the Capital Stock, or all or substantially all of the assets, of any Person, or of all or substantially all of the assets constituting a division, product line or business line of any Person (each, an “Acquisition”), if such Acquisition described in this clause (c) complies with the following criteria:

(a) no Event of Default shall be in effect immediately prior or after giving effect to such Acquisition; and

(b) if the total consideration (other than any equity consideration) in respect of such Acquisition exceeds \$10,000,000, the Borrower shall have delivered to the Administrative Agent a certificate of the Borrower signed by a Responsible Officer to such effect, together with all relevant financial information for such Subsidiary or asset to be acquired reasonably requested by the Administrative Agent prior to such acquisition to the extent available.

“Permitted Business”: the Business and any services, activities or businesses incidental or directly related or similar to any line of business engaged in by the Borrower and its Subsidiaries as of the Closing Date or any business activity that is a reasonable extension, development or expansion thereof or ancillary thereto.

“Permitted Investors”: the collective reference to the Sponsor and its Affiliates (but excluding any operating portfolio companies of the foregoing), the members of management of Holdings and its Subsidiaries that have ownership interests in Holdings as of the Closing Date, and the directors of Holdings and its Subsidiaries or any Parent Company on, or as of no later than 60 days following, the Closing Date.

“Permitted Liquid Investments”: (a) securities issued or directly and fully and unconditionally guaranteed or insured by the United States government or any agency or instrumentality thereof the securities of which are unconditionally guaranteed as a full faith and credit obligation of such government with maturities of 24 months or less from the date of acquisition, (b) certificates of deposit, time deposits and eurodollar time deposits with maturities of 24 months or less from the date of acquisition, bankers’ acceptances with maturities not exceeding 24 months and overnight bank deposits, in each case, with any domestic commercial bank having capital and surplus in excess of \$250,000,000, (c) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (a) and (b) above entered into with any financial institution meeting the qualifications specified in clause (b) above, (d) commercial paper having a rating of at least A-1 from S&P or P-1 from

Moody's (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another rating agency) and maturing within 24 months after the date of acquisition and Indebtedness and Preferred Stock issued by Persons with a rating of "A" or higher from S&P or "A2" or higher from Moody's with maturities of 24 months or less from the date of acquisition, (e) readily marketable direct obligations issued by any state of the United States or any political subdivision thereof having one of the two highest rating categories obtainable from either Moody's or S&P with maturities of 24 months or less from the date of acquisition, (f) marketable short-term money market and similar securities having a rating of at least P-1 or A-1 from Moody's or S&P, respectively (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another rating agency) and in each case maturing within 24 months after the date of creation or acquisition thereof, (g) Investments with average maturities of 12 months or less from the date of acquisition in money market funds rated AA- (or the equivalent thereof) or better by S&P or Aa3 (or the equivalent thereof) or better by Moody's, (h) instruments equivalent to those referred to in clauses (a) through (g) above denominated in euro or pound sterling or any other foreign currency comparable in credit quality and tenor to those referred to above and customarily used by corporations for cash management purposes in any jurisdiction outside the United States to the extent reasonably required in connection with any business conducted by any Restricted Subsidiary organized in such jurisdiction including, without limitation, certificates of deposit or bankers' acceptances of, and bank deposits with, any bank organized under the laws of any country that is a member of the European Economic Community or Canada or any subdivision thereof, whose short-term commercial paper rating from S&P is at least A-1 or the equivalent thereof or from Moody's is at least P-1 or the equivalent thereof, in each case with maturities of not more than 24 months from the date of acquisition and (i) investment in funds which invest substantially all of their assets in Cash Equivalents of the kinds described in clauses (a) through (h) of this definition.

"Permitted Refinancings": with respect to any Person, refinancings, replacements, modifications, refundings, renewals or extensions of Indebtedness provided that (a) there is no increase in the principal amount (or accrued value) thereof (excluding accrued interest, fees, discounts, premiums and expenses), (b) the weighted average life to maturity of such Indebtedness is greater than or equal to the shorter of (i) the weighted average life to maturity of the Indebtedness being refinanced and (ii) the weighted average life to maturity that would result if all payments of principal on the Indebtedness being refinanced that were due on or after the date that is one year following the Tranche B Term Maturity Date were instead due one year following the Tranche B Term Maturity Date, (c) if the Indebtedness being refinanced, refunded, modified, renewed or extended is subordinated in right of payment to the Obligations, such refinancing, refunding, modification, renewal or extension is subordinated in right of payment to the Obligations (A) on terms at least as favorable to the Lenders as those contained in the documentation governing the Indebtedness being refinanced, refunded, modified, renewed or extended, (B) on terms consistent with the then-prevailing market terms for subordination of comparable Indebtedness or (C) on terms to which the Administrative Agent shall agree, (d) the terms and conditions (including, if applicable, as to collateral) of any such refinanced, refunded, modified, renewed or extended Indebtedness are not materially less favorable to the Lenders than the terms and conditions of the Indebtedness being modified, refinanced, refunded, renewed or extended, (e) no Default or Event of Default shall have occurred and be continuing at the time thereof or no Default or Event of Default would result from any such refinancing, refunding, modification, renewal or extension and (f) with respect to any such Indebtedness that is secured, neither the Borrower nor any Restricted Subsidiary shall be an obligor or guarantor of any such refinancings, replacements, refundings, renewals or extensions except to the extent that such Person was such an obligor or guarantor in respect of the applicable Indebtedness being modified, refinanced, refunded, renewed or extended.

"Permitted Subordinated Indebtedness": unsecured, senior subordinated or subordinated Indebtedness of the Borrower or any Restricted Subsidiary (including guarantees thereof by the Borrower

or any Guarantor, as applicable), provided that (a) no scheduled principal payments, mandatory prepayments, redemptions or sinking fund payments of any Permitted Subordinated Indebtedness shall be required prior to the date at least 180 days following the Tranche B Term Maturity Date (or, such later date that is the latest final maturity date of any incremental extensions of credit hereunder) (other than customary offers to purchase upon a change of control, asset sale, customary acceleration rights upon an event of default and AHYDO Payments), (b) the covenants and events of default of such Permitted Subordinated Indebtedness (i) shall be, taken as a whole, customary for Indebtedness of a similar nature as such Permitted Subordinated Indebtedness or (ii) shall otherwise not have been objected to by the Administrative Agent, after the Administrative Agent shall have been afforded a period of five Business Days to review such terms of such Permitted Subordinated Indebtedness, (c) the terms of subordination applicable to any Permitted Subordinated Indebtedness shall be (i) taken as a whole, customary for unsecured subordinated high yield debt securities issued by any Affiliates of the Sponsor or (ii) shall otherwise not have been objected to by the Administrative Agent, after the Administrative Agent shall have been afforded a period of five Business Days to review such terms of such Permitted Subordinated Indebtedness and (d) no Default or Event of Default shall have occurred and be continuing at the time of incurrence of such Indebtedness or would result therefrom.

“Person”: an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

“Plan”: at a particular time, any employee benefit plan as defined in Section 3(3) of ERISA and in respect of which Holdings, the Borrower or any of its Restricted Subsidiaries is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA, including a Multiemployer Plan.

“Pledged Securities”: as defined in the Guarantee and Collateral Agreement.

“Pledged Stock”: as defined in the Guarantee and Collateral Agreement.

“Prepayment Option Notice”: as defined in Section 2.12(e).

“Pricing Grid”: the table set forth below:

Consolidated Total Leverage Ratio	Applicable Margin for Tranche A Term Loans that are Eurocurrency Loans	Applicable Margin for Tranche A Term Loans that are ABR Loans	Applicable Margin for Revolving Loans that are Eurocurrency Loans	Applicable Margin for Revolving Loans that are ABR Loans and Swingline Loans	Applicable Commitment Fee Rate
<sup>3</sup> 4.00:1.00	4.00%	3.00%	4.00%	3.00%	
< 4.00:1.00	3.75%	2.75%	3.75%	2.75%	
<sup>3</sup> 3.50:1.00					0.500%
< 3.50:1.00					0.375%



Changes in the Applicable Margin with respect to Loans or the Applicable Commitment Fee Rate resulting from changes in the Consolidated Total Leverage Ratio shall become effective on the date on which financial statements are delivered to the Lenders pursuant to Section 6.1 and shall remain in effect until the next change to be effected pursuant to this paragraph. If any financial statements referred to above are not delivered within the time periods specified in Section 6.1, then, at the option of (and upon the delivery of notice (telephonic or otherwise) by) the Administrative Agent or the Required Lenders, until such financial statements are delivered, the Consolidated Total Leverage Ratio as at the end of the fiscal period that would have been covered thereby shall for the purposes of this definition be deemed to be greater than 4.00 to 1.00. In addition, at all times while an Event of Default set forth in Section 8.1(a) or 8.1(f) shall have occurred and be continuing, the Consolidated Total Leverage Ratio shall for the purposes of the Pricing Grid be deemed to be greater than 4.00 to 1.00.

“Prime Rate”: as defined in the definition of “ABR”.

“Property”: any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible, including, without limitation, Capital Stock.

“Public Company Costs”: costs relating to compliance with the provisions of the Securities Act and the Exchange Act, as applicable to companies with equity or debt securities held by the public, the rules of national securities exchange companies with listed equity or debt securities, directors’ compensation, fees and expense reimbursement, costs relating to investor relations, shareholder meetings and reports to shareholders or debtholders, directors and officers’ insurance and other executive costs, legal and other professional fees, and listing fees.

“Qualified Capital Stock”: any Capital Stock that is not Disqualified Capital Stock.

“Rate Determination Notice”: as defined in Section 2.22.

“Ratio Calculation Date”: as defined in Section 1.3(a).

“Real Property”: collectively, all right, title and interest of the Borrower or any other Subsidiary in and to any and all parcels of real property owned or operated by the Borrower or any other Subsidiary together with all improvements and appurtenant fixtures, easements and other property and rights incidental to the ownership, lease or operation thereof.

“Recovery Event”: any settlement of or payment in respect of any Property or casualty insurance claim or any condemnation proceeding relating to any asset of the Borrower or any Domestic Subsidiary that is a Restricted Subsidiary, in an amount for each such event exceeding \$1,000,000.

“Reference Period”: the period of four fiscal quarters most recently ended immediately prior to the date of any specified event for which financial statements have been delivered pursuant to Section 6.1.

“Refinanced Term Loans”: as defined in Section 10.1.

“Refinancing”: the repayment of certain existing Indebtedness of the Company on the Closing Date.

“Refunded Swingline Loans”: as defined in Section 2.7(b).

“Register”: as defined in Section 10.6(b)(iv).

“Regulation U”: Regulation U of the Board as in effect from time to time.

“Reimbursement Obligation”: the obligation of the Borrower to reimburse an Issuing Lender pursuant to Section 3.5 for amounts drawn under Letters of Credit issued by such Issuing Lender.

“Reinvestment Deferred Amount”: with respect to any Reinvestment Event, the aggregate Net Cash Proceeds received by any Loan Party for its own account in connection therewith that are not applied to prepay the Term Loans pursuant to Section 2.12 as a result of the delivery of a Reinvestment Notice.

“Reinvestment Event”: any Asset Sale or Recovery Event in respect of which a Loan Party has delivered a Reinvestment Notice.

“Reinvestment Notice”: a written notice signed on behalf of any Loan Party by a Responsible Officer stating that such Loan Party (directly or indirectly through a Subsidiary) intends and expects to use all or a specified portion of the Net Cash Proceeds of an Asset Sale or Recovery Event to acquire assets or make investments useful in the Business.

“Reinvestment Prepayment Amount”: with respect to any Reinvestment Event, the Reinvestment Deferred Amount relating thereto less any amount contractually committed by the applicable Loan Party (directly or indirectly through a Subsidiary) to be expended prior to the relevant Reinvestment Prepayment Date (a “Committed Reinvestment Amount”), or actually expended prior to such date, in each case to acquire assets or make investments useful in the Business.

“Reinvestment Prepayment Date”: with respect to any Reinvestment Event, the earlier of (i) the date occurring 12 months after such Reinvestment Event and (ii) with respect to any portion of a Reinvestment Deferred Amount, the date on which any Loan Party shall have determined not to acquire assets or make investments useful in the Business with such portion of such Reinvestment Deferred Amount.

“Related Business Assets”: assets (other than cash, Cash Equivalents or Permitted Liquid Investments) used or useful in a Permitted Business; provided that any assets received by the Borrower or a Restricted Subsidiary in exchange for assets transferred by the Borrower or a Restricted Subsidiary shall not be deemed to be Related Business Assets if they consist of securities of a Person, unless upon receipt of the securities of such Person, such Person would become a Restricted Subsidiary.

“Release”: any release, spill, emission, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into or through the environment or within or upon any building, structure or facility.

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

“Replacement Term Loans”: as defined in Section 10.1.

“Reportable Event”: any of the events set forth in Section 4043(c) of ERISA, other than those events as to which the thirty day notice period is waived by the PBGC in accordance with the regulations thereunder.

“Representatives”: as defined in Section 10.14.

“Repricing Transaction”: any prepayment of the Tranche B Term Loans using proceeds of Indebtedness incurred by the Borrower or one or more Subsidiaries from a substantially concurrent issuance or incurrence of secured, syndicated term loans, including, without limitation, by way of Replacement Loans incurred pursuant to Section 10.1(d), provided by one or more banks, financial institutions or other Persons for which the interest rate payable thereon (disregarding any performance or ratings based pricing grid that could result in a lower interest rate based on future performance) is lower than the Eurocurrency Rate on the date of such optional prepayment plus the Applicable Margin with respect to the Tranche B Term Loans on the date of such optional prepayment, provided that the primary purpose of such prepayment is to refinance Tranche B Term Loans at a lower interest rate.

“Required Lenders”: at any time, the holders of more than 50% of (a) until the Closing Date, the Commitments then in effect and (b) thereafter, the sum of (i) the aggregate unpaid principal amount of the Term Loans then outstanding, (ii) the Revolving Commitments then in effect or, if the Revolving Commitments have been terminated, the Revolving Extensions of Credit then outstanding and (iii) the New Loan Commitments then in effect in respect of any New Facility that is a revolving credit facility or, if such New Loan Commitments have been terminated, the New Revolving Loans then outstanding; provided, however, that determinations of the “Required Lenders” shall exclude any Commitments or Loans held by the Carlyle Fund.

“Required Prepayment Lenders”: the holders of more than 50% of the aggregate unpaid principal amount of the Tranche A Term Loans and the Tranche B Term Loans.

“Requirement of Law”: as to any Person, the certificate of incorporation and by-laws 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.

“Responsible Officer”: the chief executive officer, president, chief financial officer (or similar title) controller or treasurer (or similar title) of Holdings or the Borrower, as applicable, or (with respect to Section 6.7) any Restricted Subsidiary and, with respect to financial matters, the chief financial officer (or similar title), controller or treasurer (or similar title) of Holdings or the Borrower, as applicable.

“Restricted Payments”: as defined in Section 7.6.

“Restricted Subsidiary”: any Subsidiary of the Borrower which is not an Unrestricted Subsidiary.

“Revolving Commitment Period”: the period from and including the Closing Date to the Revolving Termination Date.

“Revolving Commitments”: as to any Revolving Lender, the obligation of such Lender, if any, to make Revolving Loans and participate in Swingline Loans and Letters of Credit in an aggregate principal and/or face amount not to exceed the amount set forth under the heading “Revolving

Commitment” opposite such Lender’s name on Schedule 2.1, or, as the case may be, in the Assignment and Assumption pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof. The original aggregate amount of the Revolving Commitments is \$100,000,000.

“Revolving Extensions of Credit”: as to any Revolving Lender at any time, an amount equal to the sum of, without duplication (a) the aggregate principal amount of all Revolving Loans held by such Lender then outstanding, (b) such Lender’s Revolving Percentage of the L/C Obligations then outstanding and (c) such Lender’s Revolving Percentage of the aggregate principal amount of Swingline Loans then outstanding.

“Revolving Facility”: as defined in the definition of “Facility”.

“Revolving Lender”: each Lender that has a Revolving Commitment or that holds Revolving Loans.

“Revolving Loans”: as defined in Section 2.4(a).

“Revolving Percentage” as to any Revolving Lender at any time, the percentage which such Lender’s Revolving Commitment then constitutes of the aggregate Revolving Commitments or, at any time after the Revolving Commitments shall have expired or terminated, the percentage which such Revolving Lender’s Revolving Extensions of Credit then outstanding constitutes of the aggregate Revolving Extensions of Credit then outstanding.

“Revolving Termination Date”: the sixth anniversary of the Closing Date.

“S&P”: Standard & Poor’s Ratings Group, Inc., or any successor to the rating agency business thereof.

“Screen”: the relevant display page for the Eurocurrency Base Rate (as reasonably determined by the Administrative Agent) on the Bloomberg Information Service or any successor thereto; provided that if the Administrative Agent determines that there is no such relevant display page or otherwise in Bloomberg for the Eurocurrency Base Rate, “Screen” means such other comparable publicly available service for displaying the Eurocurrency Base Rate (as reasonably determined by the Administrative Agent).

“SEC”: the Securities and Exchange Commission (or successors thereto or an analogous Governmental Authority).

“Secured Parties”: collectively, the Lenders, the Administrative Agent, the Collateral Agent, the Swingline Lender, any Issuing Lender, any other holder from time to time of any of the Obligations and, in each case, their respective successors and permitted assigns.

“Securities Act”: the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

“Security”: as defined in the Guarantee and Collateral Agreement.

“Security Documents”: the collective reference to the Guarantee and Collateral Agreement and all other security documents (including any Mortgages) hereafter delivered to the

Administrative Agent or the Collateral Agent purporting to grant a Lien on any Property of any Loan Party to secure the Obligations.

**“Single Employer Plan”**: any Plan (other than a 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 Commonly Controlled Entity 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.

**“Solvent”**: with respect to any Person, as of any date of determination, (a) the amount of the “present fair saleable value” of the assets of such Person will, as of such date, exceed the amount of all “liabilities of such Person, contingent or otherwise”, as of such date, as such quoted terms are determined in accordance with applicable federal and state laws governing determinations of the solvency of debtors, (b) the present fair saleable value of the assets of such Person will, as of such date, be greater than the amount that will be required to pay the liability of such Person on its debts as such debts become absolute and matured, (c) such Person will not have, as of such date, an unreasonably small amount of capital with which to conduct its business and (d) such Person will be able to pay its debts as they mature. For purposes of this definition, (i) “debt” means liability on a “claim”, (ii) “claim” means any (x) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (y) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured and (iii) except as otherwise provided by applicable law, the amount of “contingent liabilities” at any time shall be the amount thereof which, in light of all the facts and circumstances existing at such time, can reasonably be expected to become actual or matured liabilities.

**“Special Purpose Entity”**: Booz Allen Hamilton Intellectual Property Holdings, LLC or any other Person formed or organized primarily for the purpose of holding trademarks, service marks, trade names, logos, slogans and/or internet domain names containing the mark “Booz” without the names “Allen” or “Hamilton” and licensing such marks to Booz & Company Inc. and its affiliates.

**“Specified Equity Contribution”**: as defined in Section 8.2.

**“Specified Hedge Agreement”**: any Hedge Agreement (a) entered into by (i) the Borrower or any Subsidiary Guarantor and (ii) any Lender or any affiliate thereof at the time such Hedge Agreement was entered into, as counterparty and (b) that has been designated by such Lender and the Borrower, by notice to the Administrative Agent, as a Specified Hedge Agreement. The designation of any Hedge Agreement as a Specified Hedge Agreement shall not create in favor of the Lender or affiliate thereof that is a party thereto any rights in connection with the management or release of any Collateral or of the obligations of any Guarantor under the Guarantee and Collateral Agreement. For the avoidance of doubt, all Hedge Agreements in existence on the Closing Date between the Borrower or any Subsidiary Guarantor and any Lender shall constitute Specified Hedge Agreements.

**“Specified Representations”**: (a) the representations made by the Company in the Merger Agreement as are material to the interests of the Lenders, but only to the extent that the Borrower has the right to terminate its obligations under the Merger Agreement as a result of the breach of such representations and (b) the representations and warranties set forth in Sections 4.2(a), 4.4(a), 4.4(c), 4.11 and 4.13.

“Spin Off Agreement”: the Spin Off Agreement, dated as of May 15, 2008, by and among the Company, Booz & Company Holdings, LLC, Booz & Company Inc., Booz & Company Intermediate I Inc. and Booz & Company Intermediate II Inc.

“Sponsor”: The Carlyle Group and any Affiliates thereof (but excluding any operating portfolio companies of the foregoing).

“Subsidiary”: as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the Board of Directors of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person; provided that any joint venture that is not required to be consolidated with the Borrower and its consolidated Subsidiaries in accordance with GAAP shall not be deemed to be a “Subsidiary” for purposes hereof. Unless otherwise qualified, all references to a “Subsidiary” or to “Subsidiaries” in this Agreement shall refer to a direct or indirect Subsidiary or Subsidiaries of the Borrower.

“Subsidiary Guarantors”: (a) each Subsidiary other than any Excluded Subsidiary and (b) any other Subsidiary of the Borrower that is a party to the Guarantee and Collateral Agreement.

“Surviving Borrower”: as defined in the preamble hereto.

“Swingline Commitment”: the obligation of the Swingline Lender to make Swingline Loans pursuant to Section 2.6 in an aggregate principal amount at any one time outstanding not to exceed \$40,000,000.

“Swingline Lender”: (a) Credit Suisse, in its capacity as the lender of Swingline Loans or (b) upon the resignation of Credit Suisse as a Swingline Lender, any Revolving Lender from time to time designated by the Borrower, in its sole discretion, as the Swingline Lender (with the consent of such other Revolving Lender).

“Swingline Loans”: as defined in Section 2.6(a).

“Swingline Participation Amount”: as defined in Section 2.7(c).

“Syndication Agent”: as defined in the preamble hereto.

“Taxes”: all present and future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Term Lenders”: the collective reference to the Tranche A Term Lenders and the Tranche B Term Lenders.

“Term Loans”: the collective reference to the Tranche A Term Loans, the Tranche B Term Loans and the New Term Loans, if any.

“Test Period”: on any date of determination, the period of four consecutive fiscal quarters of the Borrower (in each case taken as one accounting period) most recently ended on or prior to such date for which financial statements have been or are required to be delivered pursuant to Section 6.1.

“Tranche”: as defined in Section 2.25.

“Tranche A Term Commitment”: as to any Lender, the obligation of such Lender, if any, to make a Tranche A Term Loan to the Borrower in a principal amount not to exceed the amount set forth under the heading “Tranche A Term Commitment” opposite such Lender’s name on Schedule 2.1, or, as the case may be, in the Assignment and Assumption pursuant to which such Lender became a party hereto. The original aggregate amount of the Tranche A Term Commitments is \$125,000,000.

“Tranche A Term Facility”: as defined in the definition of “Facility”.

“Tranche A Term Lender”: each Lender that has a Tranche A Term Commitment or that holds a Tranche A Term Loan.

“Tranche A Term Loan”: as defined in Section 2.1.

“Tranche A Term Maturity Date”: the sixth anniversary of the Closing Date.

“Tranche A Term Percentage”: as to any Tranche A Term Lender at any time on the Closing Date (but prior to the initial funding of the Tranche A Term Loans), the percentage which the sum of such Lender’s Tranche A Term Commitments then constitutes of the aggregate Tranche A Term Commitments (or, at any time after the Closing Date, the percentage which the aggregate principal amount of such Lender’s Tranche A Term Loans then outstanding constitutes of the aggregate principal amount of the Tranche A Term Loans then outstanding).

“Tranche B Prepayment Amount”: as defined in Section 2.12(e).

“Tranche B Term Commitment”: as to any Lender, the obligation of such Lender, if any, to make a Tranche B Term Loan to the Borrower in a principal amount not to exceed the amount set forth under the heading “Tranche B Term Commitment” opposite such Lender’s name on Schedule 2.1, or, as the case may be, in the Assignment and Assumption pursuant to which such Lender became a party hereto. The original aggregate amount of the Tranche B Term Commitments is \$585,000,000.

“Tranche B Term Facility”: as defined in the definition of “Facility”.

“Tranche B Term Lender”: each Lender that has a Tranche B Term Commitment or that holds a Tranche B Term Loan.

“Tranche B Term Loan”: as defined in Section 2.1.

“Tranche B Term Maturity Date”: the seventh anniversary of the Closing Date.

“Tranche B Term Percentage”: as to any Tranche B Term Lender at any time on the Closing Date (but prior to the initial funding of the Tranche B Term Loans), the percentage which the sum of such Lender’s Tranche B Term Commitments then constitutes of the aggregate Tranche B Term Commitments (or, at any time after the Closing Date, the percentage which the aggregate principal

amount of such Lender's Tranche B Term Loans then outstanding constitutes of the aggregate principal amount of the Tranche B Term Loans then outstanding).

"Transaction Documents": the Merger Documents, the Loan Documents and the Mezzanine Loan Documents.

"Transactions": (a) the transactions to occur pursuant to the Transaction Documents, (b) the Refinancing and (c) the Company Reorganization.

"Transferee": any Assignee or Participant.

"Trigger Date": as defined in Section 2.12(b).

"Type": as to any Loan, its nature as an ABR Loan or Eurocurrency Loan.

"United States": the United States of America.

"Unrestricted Subsidiary": (i) any Subsidiary of the Borrower designated as such and listed on Schedule 4.14 on the Closing Date and (ii) any Subsidiary of the Borrower that is designated by a resolution of the Board of Directors of the Borrower as an Unrestricted Subsidiary, but only to the extent that, in the case of each of clauses (i) and (ii), such Subsidiary: (a) has no Indebtedness other than Non-Recourse Debt; (b) is not party to any agreement, contract, arrangement or understanding with Holdings, the Borrower or any Restricted Subsidiary unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to Holdings, the Borrower or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of Holdings or the Borrower; (c) is a Person with respect to which neither Holdings, the Borrower nor any of the Restricted Subsidiaries has any direct or indirect obligation (x) to subscribe for additional Capital Stock or warrants, options or other rights to acquire Capital Stock or (y) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; and (d) does not guarantee or otherwise provide credit support after the time of such designation for any Indebtedness of Holdings, the Borrower or any of its Restricted Subsidiaries, in the case of clauses (a), (b) and (c), except to the extent not otherwise prohibited by Section 7. If, at any time, any Unrestricted Subsidiary would fail to meet the foregoing requirements as an Unrestricted Subsidiary, it shall thereafter cease to be an Unrestricted Subsidiary for purposes hereof. Subject to the foregoing, the Borrower may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary or any Restricted Subsidiary to be an Unrestricted Subsidiary; provided that (i) such designation shall only be permitted if no Default or Event of Default would be in existence following such designation and after giving effect to such designation the Borrower shall be in pro forma compliance with the financial covenants set forth in Section 7.1, (ii) any designation of an Unrestricted Subsidiary as a Restricted Subsidiary shall be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of any outstanding Indebtedness of such Unrestricted Subsidiary and (iii) any designation of a Restricted Subsidiary as an Unrestricted Subsidiary shall be deemed to be an Investment in an Unrestricted Subsidiary and shall reduce amounts available for Investments in Unrestricted Subsidiaries permitted by Section 7.7 in an amount equal to the fair market value of the Subsidiary so designated; provided that the Borrower may subsequently redesignate any such Unrestricted Subsidiary as a Restricted Subsidiary so long as the Borrower does not subsequently re-designate such Restricted Subsidiary as an Unrestricted Subsidiary for a period of the succeeding four fiscal quarters.

"US Lender": as defined in Section 2.20(e).



1.2 Other Definitional Provisions. (a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the other Loan Documents or any certificate or other document made or delivered pursuant hereto or thereto.

(b) As used herein and in the other Loan Documents, and any certificate or other document made or delivered pursuant hereto or thereto, (i) accounting terms relating to the Borrower and its Subsidiaries not defined in Section 1.1 and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP, (ii) the words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”, and (iii) references to agreements or other Contractual Obligations shall, unless otherwise specified, be deemed to refer to such agreements or Contractual Obligations as amended, supplemented, restated or otherwise modified from time to time.

(c) The words “hereof”, “herein” and “hereunder” and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Annex, Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(d) The term “license” shall include sub-license. The term “documents” includes any and all documents whether in physical or electronic form.

The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

1.3 Pro Forma Calculations. Solely for purposes of determining whether any action is otherwise permitted to be taken hereunder, the Consolidated Total Leverage Ratio and Consolidated Net Interest Coverage Ratio shall be calculated as follows:

(a) In the event that the Borrower or any Restricted Subsidiary incurs, assumes, guarantees, redeems, retires or extinguishes any Indebtedness subsequent to the commencement of the period for which such ratio is being calculated but prior to or simultaneously with the event for which the calculation of such ratio is made (a “Ratio Calculation Date”), then such ratio shall be calculated giving pro forma effect to such incurrence, assumption, guarantee, redemption, retirement or extinguishment of Indebtedness as if the same had occurred at the beginning of the applicable four-quarter period.

(b) For purposes of making the computation referred to above, if any acquisitions, Dispositions or designations of Unrestricted Subsidiaries or Restricted Subsidiaries are made (or committed to be made pursuant to a definitive agreement) during the four-quarter reference period or subsequent to such reference period and on or prior to or simultaneously with the relevant Ratio Calculation Date, Consolidated EBITDA shall be calculated on a pro forma basis, assuming that all such acquisitions, Dispositions and designations had occurred on the first day of the four-quarter reference period in a manner consistent, where applicable, with the pro forma adjustments set forth in clause (j) of and the last proviso of the first sentence of the definition of “Consolidated EBITDA”. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into the Borrower or any of its Restricted Subsidiaries since the beginning of such period shall have made any acquisition or Disposition, in each case with respect to a business or an operating unit of a business, that would have required adjustment pursuant to this provision, then such ratio shall be calculated giving pro forma effect

thereto for such period as if such acquisition or Disposition had occurred at the beginning of the applicable four-quarter period.

## SECTION 2. AMOUNT AND TERMS OF COMMITMENTS

2.1 Term Commitments. Subject to the terms and conditions hereof, (a) each Tranche A Term Lender severally agrees to make a term loan (a "Tranche A Term Loan") in Dollars to the Borrower on the Closing Date in an amount which will not exceed the amount of the Tranche A Term Commitment of such Lender and (b) each Tranche B Term Lender severally agrees to make a term loan (a "Tranche B Term Loan") in Dollars to the Borrower on the Closing Date in an amount which will not exceed the amount of the Tranche B Term Commitment of such Lender. The Borrower and the Lenders acknowledge that the Term Loans funded on the Closing Date will be funded with original issue discount of 2%. Notwithstanding the foregoing, the aggregate outstanding principal amount of the Term Loans for all purposes of this Agreement and the other Loan Documents shall be the stated principal amount thereof outstanding from time to time. The Term Loans may from time to time be Eurocurrency Loans or ABR Loans, as determined by the Borrower and notified to the Administrative Agent in accordance with Sections 2.2 and 2.13.

2.2 Procedure for Term Loan Borrowing. The Borrower shall give the Administrative Agent irrevocable written notice (which notice must be received by the Administrative Agent prior to 12:00 Noon, New York City time, one Business Day prior to the anticipated Closing Date) requesting that the Term Lenders make the Term Loans on the Closing Date and specifying the amount to be borrowed and the requested Interest Period, if applicable. Upon receipt of such notice the Administrative Agent shall promptly notify each Term Lender thereof. Not later than 11:00 A.M., New York City time, on the Closing Date each Term Lender shall make available to the Administrative Agent at the Funding Office an amount in immediately available funds equal to the Term Loan or Term Loans to be made by such Lender. The Administrative Agent shall credit the account designated in writing by the Borrower to the Administrative Agent with the aggregate of the amounts made available to the Administrative Agent by the Term Lenders in immediately available funds.

2.3 Repayment of Term Loans. (a) The Tranche A Term Loan of each Tranche A Term Lender shall be payable on each date set forth below in an amount set forth opposite such date (expressed as a percentage of the stated principal amount of the Tranche A Term Loans funded on the Closing Date) (as adjusted to reflect any prepayments thereof), with the remaining balance thereof payable on the Tranche A Term Maturity Date.

Date	Amount
December 31, 2008	1.25%
March 31, 2009	1.25%
June 30, 2009	1.25%
September 30, 2009	1.25%
December 31, 2009	2.50%
March 31, 2010	2.50%
June 30, 2010	2.50%
September 30, 2010	2.50%
December 31, 2010	2.50%
March 31, 2011	2.50%
June 30, 2011	2.50%
September 30, 2011	2.50%
December 31, 2011	3.75%
March 31, 2012	3.75%
June 30, 2012	3.75%
September 30, 2012	3.75%
December 31, 2012	5.00%
March 31, 2013	5.00%
June 30, 2013	5.00%
September 30, 2013	5.00%

(b) The Tranche B Term Loan of each Tranche B Term Lender shall be payable in equal consecutive quarterly installments, commencing on December 31, 2008, on the last Business Day of each March, June, September and December following the Closing Date in an amount equal to one quarter of one percent (0.25%) of the stated principal amount of the Tranche B Term Loans funded on the Closing Date (as adjusted to reflect any prepayments thereof), with the remaining balance thereof payable on the Tranche B Term Maturity Date.

2.4 Revolving Commitments. (a) Subject to the terms and conditions hereof, each Revolving Lender severally agrees to make revolving credit loans ("Revolving Loans") in Dollars to the Borrower from time to time during the Revolving Commitment Period in an aggregate principal amount at any one time outstanding which when added to such Lender's Revolving Percentage of the sum of (i) the L/C Obligations then outstanding and (ii) the aggregate principal amount of the Swingline Loans then outstanding, does not exceed the amount of such Lender's Revolving Commitment. During the Revolving Commitment Period, the Borrower may use the Revolving Commitments by borrowing, prepaying the Revolving Loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof. The Revolving Loans may from time to time be Eurocurrency Loans or ABR Loans, as determined by the Borrower and notified to the Administrative Agent in accordance with Sections 2.5 and 2.13.

(b) The Borrower shall repay all outstanding Revolving Loans made to it on the Revolving Termination Date.

2.5 Procedure for Revolving Loan Borrowing. The Borrower may borrow under the Revolving Commitments during the Revolving Commitment Period on any Business Day; provided that the Borrower shall give the Administrative Agent irrevocable written notice (which notice must be received by the Administrative Agent (i) in the case of Eurocurrency Loans, prior to 12:00 Noon, New York City time, three Business Days prior to the requested Borrowing Date or (ii) in the case of ABR

Loans, prior to 12:00 Noon, New York City time, one Business Day prior to the proposed Borrowing Date), specifying (x) the amount and Type of Revolving Loans to be borrowed, (y) the requested Borrowing Date and (z) in the case of Eurocurrency Loans, the respective amounts of each such Type of Loan and the respective lengths of the initial Interest Period therefor. The aggregate principal amount of all Revolving Loans made on the Closing Date shall not exceed \$25,000,000 (which amount, for the avoidance of doubt, shall not include the face amount of any outstanding Letters of Credit). Each borrowing by the Borrower under the Revolving Commitments shall be in an amount equal to (x) in the case of ABR Loans, \$1,000,000 or a whole multiple of \$100,000 in excess thereof (or, if the then aggregate Available Revolving Commitments are less than \$1,000,000, such lesser amount) and (y) in the case of Eurocurrency Loans, \$1,000,000 or a whole multiple of \$500,000 in excess thereof; provided that the Swingline Lender may request, on behalf of the Borrower, borrowings under the Revolving Commitments that are ABR Loans in other amounts pursuant to Section 2.7(a). Upon receipt of any such notice from the Borrower, the Administrative Agent shall promptly notify each Revolving Lender thereof. Each Revolving Lender will make the amount of its pro rata share of each borrowing available to the Administrative Agent for the account of the Borrower at the Funding Office prior to 11:00 A.M., New York City time, on the Borrowing Date requested by the Borrower in funds immediately available to the Administrative Agent. Such borrowing will then be made available to the Borrower by the Administrative Agent crediting the account designated in writing by the Borrower to the Administrative Agent with the aggregate of the amounts made available to the Administrative Agent by such Revolving Lenders and in like funds as received by the Administrative Agent. If no election as to the Type of a Revolving Loan is specified, then the requested Loan shall be an ABR Loan. If no Interest Period is specified with respect to any requested Eurocurrency Loan, the Borrower shall be deemed to have selected an Interest Period of one month's duration.

2.6 Swingline Commitment. (a) Subject to the terms and conditions hereof, the Swingline Lender agrees to make a portion of the credit otherwise available to the Borrower under the Revolving Commitments from time to time during the Revolving Commitment Period by making swing line loans ("Swingline Loans") in Dollars to the Borrower; provided that (i) the aggregate principal amount of Swingline Loans outstanding at any time shall not exceed the Swingline Commitment then in effect (provided that the Swingline Loans outstanding at any time, when aggregated with the Swingline Lenders' other outstanding Revolving Loans, may exceed the Swingline Commitment then in effect) and (ii) the Borrower shall not request, and the Swingline Lender shall not make, any Swingline Loan if, after giving effect to the making of such Swingline Loan, the aggregate amount of the Available Revolving Commitments under the Revolving Commitments would be less than zero. During the Revolving Commitment Period, the Borrower may use the Swingline Commitment by borrowing, repaying and reborrowing, all in accordance with the terms and conditions hereof. Swingline Loans shall be ABR Loans only.

(b) The Borrower shall repay to the Swingline Lender the then unpaid principal amount of each Swingline Loan on the Revolving Termination Date.

2.7 Procedure for Swingline Borrowing; Refunding of Swingline Loans. (a) Whenever the Borrower desires that the Swingline Lender make Swingline Loans it shall give the Swingline Lender and the Administrative Agent irrevocable written notice (which notice must be received by the Swingline Lender and the Administrative Agent not later than 12:00 Noon, New York City time, on the proposed Borrowing Date, specifying (i) the amount to be borrowed and (ii) the requested Borrowing Date (which shall be a Business Day during the Revolving Commitment Period). Each borrowing under the Swingline Commitment shall be in an amount equal to \$500,000 or a whole multiple of \$100,000 in excess thereof. Not later than 3:00 P.M., New York City time, on the Borrowing Date specified in a notice in respect of Swingline Loans, the Swingline Lender shall make available to the Administrative Agent at the Funding

Office an amount in immediately available funds equal to the amount of the Swingline Loan to be made by the Swingline Lender. The Administrative Agent shall make the proceeds of such Swingline Loan available to the Borrower on such Borrowing Date by depositing such proceeds in the account of the Borrower with the Administrative Agent or as otherwise directed by the Borrower on such Borrowing Date in immediately available funds.

(b) The Swingline Lender, at any time and from time to time in its sole and absolute discretion may, on behalf of the Borrower (which hereby irrevocably directs such Swingline Lender to act on its behalf), request each Revolving Lender to make, and each such Revolving Lender hereby agrees to make, a Revolving Loan, in an amount equal to such Revolving Lender's Revolving Percentage of the aggregate amount of the Swingline Loans (the "Refunded Swingline Loans") outstanding on the date of such notice, to repay such Swingline Lender. Each Revolving Lender shall make the amount of Revolving Loans available to the Administrative Agent at the Funding Office in immediately available funds on the date of such request or, if such request is made after 10:00 A.M., New York City time on any Business Day, not later than 10:00 A.M., New York City time, on the next Business Day. The proceeds of such Revolving Loans shall be immediately made available by the Administrative Agent to the Swingline Lender for application by the Swingline Lender to the repayment of the Refunded Swingline Loans.

(c) If prior to the time a Revolving Loan would have otherwise been made pursuant to Section 2.7(b), one of the events described in Section 8.1(f) shall have occurred and be continuing with respect to the Borrower or if for any other reason, as determined by the Swingline Lender in its sole discretion, Revolving Loans may not be made as contemplated by Section 2.7(b), each Revolving Lender shall, on the date such Revolving Loan was to have been made pursuant to the notice referred to in Section 2.7(b), purchase for cash an undivided participating interest in the then outstanding Swingline Loans by paying to the Swingline Lender an amount (the "Swingline Participation Amount") equal to (A) such Revolving Lender's Revolving Percentage times (B) the sum of the aggregate principal amount of Swingline Loans then outstanding that were to have been repaid with such Revolving Loans.

(d) Whenever, at any time after the Swingline Lender has received from any Revolving Lender such Lender's Swingline Participation Amount with respect to any Swingline Loans, the Swingline Lender receives any payment on account of such Swingline Loans, the Swingline Lender will distribute to such Lender its Swingline Participation Amount with respect thereto (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's participating interest was outstanding and funded and, in the case of principal and interest payments, to reflect such Lender's pro rata portion of such payment if such payment is not sufficient to pay the principal of and interest on all such Swingline Loans then due); provided, however, that in the event that such payment received by the Swingline Lender is required to be returned, such Lender will return to the Swingline Lender any portion thereof previously distributed to it by the Swingline Lender.

(e) Each Revolving Lender's obligation to make the Loans referred to in Section 2.7(b) and to purchase participating interests pursuant to Section 2.7(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right that such Revolving Lender or the Borrower may have against the Swingline Lender, the Borrower or any other Person for any reason whatsoever, (ii) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Section 5, (iii) any adverse change in the condition (financial or otherwise) of the Borrower or any other Loan Party, (iv) any breach of this Agreement or any other Loan Document by the Borrower, any other Loan Party or any other Lender or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

2.8 Repayment of Loans. (a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of the appropriate Revolving Lender or Term Lender, as the case may be, (i) the then unpaid principal amount of each Revolving Loan of such Revolving Lender made to the Borrower outstanding on the Revolving Termination Date (or on such earlier date on which the Loans become due and payable pursuant to Section 8.1) and (ii) the principal amount of each outstanding Term Loan of such Term Lender made to the Borrower in installments according to the amortization schedule set forth in Section 2.3 (or on such earlier date on which the Loans become due and payable pursuant to Section 8.1). The Borrower hereby further agrees to pay interest on the unpaid principal amount of the Loans made to the Borrower from time to time outstanding from the date made until payment in full thereof at the rates per annum, and on the dates, set forth in Section 2.15.

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

(c) The Administrative Agent, on behalf of the Borrower, shall maintain the Register pursuant to Section 10.6(b)(iv), and a subaccount therein for each Lender, in which shall be recorded (i) the amount of each Loan made hereunder and any Note evidencing such Loan, the Type of such Loan and each Interest Period applicable thereto, (ii) the amount of any principal, interest and fees, as applicable, due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder from the Borrower and each Lender's share thereof.

(d) The entries made in the Register and the accounts of each Lender maintained pursuant to Section 2.8(c) shall, to the extent permitted by applicable law, be presumptively correct absent demonstrable error of the existence and amounts of the obligations of the Borrower therein recorded; provided, however, that the failure of the Administrative Agent or any Lender to maintain the Register or any such account, or any error therein, shall not in any manner affect the obligation of the Borrower to repay (with applicable interest) the Loans made to the Borrower by such Lender in accordance with the terms of this Agreement.

2.9 Commitment Fees, etc. (a) The Borrower agrees to pay to the Administrative Agent for the account of each Revolving Lender a commitment fee for the period from and including the Closing Date to the last day of the Revolving Commitment Period, computed at the Applicable Commitment Fee Rate on the average daily amount of the Available Revolving Commitment of such Lender during the period for which payment is made, payable quarterly in arrears on each Fee Payment Date; provided that (i) for purposes of calculating any fees owing in accordance with this Section 2.9(a), the Available Revolving Commitment for the Swingline Lender shall exclude any outstanding Swingline Loans and (ii) the Swingline Lender shall not be entitled to any commitment fee with respect to its Swingline Commitment separate from that to which it is entitled with respect to its Available Revolving Commitment; provided, further, that (i) any commitment fee accrued with respect to any of the Revolving Commitments of a Defaulting Lender during the period prior to the time such Lender became a Defaulting Lender and unpaid at such time shall not be payable by the Borrower so long as such Lender shall be a Defaulting Lender except to the extent that such commitment fee shall otherwise have been due and payable by the Borrower prior to such time and (ii) no commitment fee shall accrue on any of the Revolving Commitments of a Defaulting Lender so long as such Lender shall be a Defaulting Lender.

(b) The Borrower agrees to pay to the Administrative Agent the fees in the amounts and on the dates as set forth in any fee agreements with the Administrative Agent.

2.10 Termination or Reduction of Revolving Commitments. The Borrower shall have the right, upon not less than two Business Days' notice to the Administrative Agent, to terminate the Revolving Commitments or, from time to time, to reduce the amount of the Revolving Commitments; provided that no such termination or reduction of Revolving Commitments shall be permitted if, after giving effect thereto and to any prepayments of the Revolving Loans made on the effective date thereof, the total Revolving Extensions of Credit would exceed the total Revolving Commitments. Any such partial reduction shall be in an amount equal to \$1,000,000, or a whole multiple of \$500,000 in excess thereof, and shall reduce permanently the Revolving Commitments then in effect. Notwithstanding anything to the contrary contained in this Agreement, the Borrower may rescind any notice of termination under this Section 2.10 if such termination would have resulted from a refinancing of all of the Loans, which refinancing shall not be consummated or shall otherwise be delayed.

2.11 Optional Prepayments. (a) The Borrower may at any time and from time to time prepay the Revolving Loans, the Swingline Loans or the Term Loans, in whole or in part, without premium or penalty except as specifically provided in Section 2.11(b), upon irrevocable written notice delivered to the Administrative Agent no later than 12:00 Noon, New York City time, three Business Days prior thereto, in the case of Eurocurrency Loans, and no later than 12:00 Noon, New York City time, (i) one Business Day prior thereto, in the case of ABR Loans that are Revolving Loans and (ii) on the prepayment date, in the case of ABR Loans that are Swingline Loans, which notice shall specify (x) the date and amount of prepayment, (y) whether the prepayment is of Swingline Loans, Revolving Loans, Tranche A Term Loans, Tranche B Term Loans or New Loans and (z) whether the prepayment is of Eurocurrency Loans or ABR Loans; provided that if a Eurocurrency Loan is prepaid on any day other than the last day of the Interest Period applicable thereto, the Borrower shall also pay any amounts owing pursuant to Section 2.21. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein (provided that such notice may be conditioned on receiving the proceeds of any refinancing), together with (except in the case of Revolving Loans that are ABR Loans and Swingline Loans) accrued interest to such date on the amount prepaid. Partial prepayments of Term Loans and of Revolving Loans shall be in an aggregate principal amount of (i) \$1,000,000 or a whole multiple of \$100,000 in excess thereof (in the case of prepayments of ABR Loans) or (ii) \$1,000,000 or a whole multiple of \$500,000 in excess thereof (in the case of prepayments of Eurocurrency Loans), and in each case shall be subject to the provisions of Section 2.18. Partial prepayments of Swingline Loans shall be in an aggregate principal amount of \$500,000 or a whole multiple of \$100,000 in excess thereof.

(b) Any optional prepayment in full of the Tranche B Term Loans as a result of a Repricing Transaction shall be accompanied by a prepayment fee, which shall initially be 2% of the aggregate principal amount prepaid, shall decline to 1% on and after the first anniversary of the Closing Date and shall decline to 0% on and after the second anniversary of the Closing Date.

(c) Notwithstanding anything to the contrary contained in this Section 2.11 or any other provision of this Agreement and without otherwise limiting the rights in respect of prepayments of the Loans of the Borrower and its Subsidiaries, so long as no Default has occurred and is continuing, the Borrower or any Subsidiary of the Borrower may repurchase outstanding Term Loans pursuant to this Section 2.11(c) on the following basis:

(i) Holdings, the Borrower or any Subsidiary of the Borrower may make one or more offers (each, an "Offer") to repurchase all or any portion of the Term Loans (such Term Loans, the "Offer Loans") of Term Lenders; provided that, (A) Holdings, the Borrower or such Subsidiary delivers a notice of such Offer to the Administrative Agent and all Term Lenders no later than noon (New York City time) at least five Business Days in advance of a proposed

consummation date of such Offer indicating (1) the last date on which such Offer may be accepted, (2) the maximum dollar amount of such Offer, (3) the repurchase price per dollar of principal amount of such Offer Loans at which Holdings, the Borrower or such Subsidiary is willing to repurchase such Offer Loans and (4) the instructions, consistent with this Section 2.11(c) with respect to the Offer, that a Term Lender must follow in order to have its Offer Loans repurchased; (B) the maximum dollar amount of each Offer shall be no less than \$10,000,000; (C) Holdings, the Borrower or such Subsidiary shall hold such Offer open for a minimum period of two Business Days; (D) a Term Lender who elects to participate in the Offer may choose to sell all or part of such Term Lender's Offer Loans; and (E) such Offer shall be made to Term Lenders holding the Offer Loans on a pro rata basis in accordance with the respective principal amount then due and owing to the Term Lenders; provided, further that, if any Term Lender elects not to participate in the Offer, either in whole or in part, the amount of such Term Lender's Offer Loans not being tendered shall be excluded in calculating the pro rata amount applicable to the balance of such Offer Loans;

(ii) With respect to all repurchases made by Holdings, the Borrower or a Subsidiary of the Borrower, such repurchases shall be deemed to be voluntary prepayments pursuant to this Section 2.11 in an amount equal to the aggregate principal amount of such Term Loans, provided that such repurchases shall not be subject to the provisions of paragraphs (a) and (b) of this Section 2.11, Section 2.18 and Section 2.21;

(iii) Following repurchase by Holdings, the Borrower or any Subsidiary of the Borrower, (A) all principal and accrued and unpaid interest on the Term Loans so repurchased shall be deemed to have been paid for all purposes and no longer outstanding (and may not be resold by Holdings, the Borrower or such Subsidiary), for all purposes of this Agreement and all other Loan Documents and (B) Holdings, the Borrower or any Subsidiary of the Borrower, as the case may be, will promptly advise the Administrative Agent of the total amount of Offer Loans that were repurchased from each Lender who elected to participate in the Offer; and

(iv) Failure by Holdings, the Borrower or a Subsidiary of the Borrower to make any payment to a Lender required by an agreement permitted by this Section 2.11(c) shall not constitute an Event of Default under Section 8.1(a).

(d) In connection with any optional prepayments by the Borrower of the Term Loans pursuant to this Section 2.11, such prepayments shall be applied on a pro rata basis to the then outstanding Term Loans being prepaid irrespective of whether such outstanding Term Loans are ABR Loans or Eurocurrency Loans; provided that if all Lenders elect to participate in the Offer on a pro rata basis in accordance with their respective principal amounts then due and owing, such prepayments shall be applied first to ABR Loans to the full extent thereof before application to Eurocurrency Loans.

2.12 Mandatory Prepayments. (a) Unless the Required Prepayment Lenders shall otherwise agree, if any Indebtedness (excluding any Indebtedness incurred in accordance with Section 7.2) shall be incurred by the Borrower or any Restricted Subsidiary, an amount equal to 100% of the Net Cash Proceeds thereof shall be applied not later than one Business Day after the date of receipt of such Net Cash Proceeds toward the prepayment of the Term Loans as set forth in Section 2.12(d).

(b) Unless the Required Prepayment Lenders shall otherwise agree, if on any date the Borrower or any Restricted Subsidiary shall for its own account receive Net Cash Proceeds from any Asset Sale or Recovery Event then, unless a Reinvestment Notice shall be delivered to the Administrative Agent in respect thereof, such Net Cash Proceeds shall be applied not later than five Business Days after



such date toward the prepayment of the Term Loans as set forth in Section 2.12(d); provided that, notwithstanding the foregoing, (i) on each Reinvestment Prepayment Date, the Term Loans shall be prepaid as set forth in Section 2.12(d) by an amount equal to the Reinvestment Prepayment Amount with respect to the relevant Reinvestment Event and (ii) on the date (the "Trigger Date") that is six months after any such Reinvestment Prepayment Date, the Term Loans shall be prepaid as set forth in Section 2.12(d) by an amount equal to the portion of any Committed Reinvestment Amount with respect to the relevant Reinvestment Event not actually expended by such Trigger Date.

(c) Unless the Required Prepayment Lenders shall otherwise agree, if, for any fiscal year of the Borrower commencing with the fiscal year ending March 31, 2010, there shall be Excess Cash Flow, the Borrower shall, on the relevant Excess Cash Flow Application Date, apply an amount equal to (i) the Excess Cash Flow Percentage of such Excess Cash Flow minus (ii) the aggregate amount of all prepayments of Revolving Loans and Swingline Loans during such fiscal year to the extent accompanied by permanent optional reductions of the Revolving Commitments, and all optional prepayments of Term Loans during such fiscal year (other than optional prepayments pursuant to Section 2.11(c)), in each case other than to the extent any such prepayment is funded with the proceeds of long-term Indebtedness, toward the prepayment of Term Loans as set forth in Section 2.12(d). Each such prepayment shall be made on a date (an "Excess Cash Flow Application Date") no later than ten days after the date on which the financial statements referred to in Section 6.1(a), for the fiscal year with respect to which such prepayment is made, are required to be delivered to the Lenders.

(d) Amounts to be applied in connection with prepayments pursuant to this Section 2.12 shall be applied to the prepayment of the Term Loans in accordance with Section 2.18(b) until paid in full. In connection with any mandatory prepayments by the Borrower of the Term Loans pursuant to Section 2.12, such prepayments shall be applied on a pro rata basis to the then outstanding Term Loans being prepaid irrespective of whether such outstanding Term Loans are ABR Loans or Eurocurrency Loans; provided that if no Lender exercises the right to waive a given mandatory prepayment of the Term Loans pursuant to Section 2.12(e), then, with respect to such mandatory prepayment, the amount of such mandatory prepayment shall be applied first to Term Loans that are ABR Loans to the full extent thereof before application to Term Loans that are Eurocurrency Loans in a manner that minimizes the amount of any payments required to be made by the Borrower pursuant to Section 2.21. Each prepayment of the Term Loans under this Section 2.12 shall be accompanied by accrued interest to the date of such prepayment on the amount prepaid.

(e) Notwithstanding anything to the contrary in Section 2.12(d) or 2.18, with respect to the amount of any mandatory prepayment pursuant to this Section 2.12 that is allocated to Tranche B Term Loans (such amount, the "Tranche B Prepayment Amount"), at any time when Tranche A Term Loans remain outstanding, the Borrower will, in lieu of applying such amount to the prepayment of Tranche B Term Loans as provided in paragraph (d) above, on the date specified in this Section 2.12 for such prepayment, give the Administrative Agent telephonic notice (promptly confirmed in writing) requesting that the Administrative Agent prepare and provide to each Tranche B Term Lender (which, for avoidance of doubt, includes each New Term Lender) a notice (each, a "Prepayment Option Notice") as described below. As promptly as practicable after receiving such notice from the Borrower, the Administrative Agent will send to each Tranche B Term Lender a Prepayment Option Notice, which shall be in the form of Exhibit I (or such other form approved by the Administrative Agent), and shall include an offer by the Borrower to prepay, on the date (each a "Mandatory Prepayment Date") that is ten Business Days after the date of the Prepayment Option Notice, the relevant Term Loans of such Lender by an amount equal to the portion of the Tranche B Prepayment Amount indicated in such Lender's Prepayment Option Notice as being applicable to such Lender's Tranche B Term Loans. Each Tranche B Term Lender may reject all or a portion of its Tranche B Prepayment Amount by providing written notice

to the Administrative Agent and the Borrower no later than 5:00 p.m. (New York time) one Business Day after such Tranche B Term Lender's receipt of the Prepayment Option Notice (which notice shall specify the principal amount of the Tranche B Prepayment Amount to be rejected by such Lender); provided that any Tranche B Term Lender's failure to so reject such Tranche B Prepayment Amount shall be deemed an acceptance by such Tranche B Term Lender of such Prepayment Option Notice and the amount to be prepaid in respect of Term Loans held by such Tranche B Term Lender. On the Mandatory Prepayment Date, the Borrower shall (i) pay to the relevant Tranche B Term Lenders the aggregate amount necessary to prepay that portion of the outstanding relevant Term Loans in respect of which such Lenders have (or are deemed to have) accepted prepayment as described above and (ii) prepay outstanding Tranche A Term Loans in an aggregate amount equal to the amounts declined by Tranche B Term Lenders as described above; provided that, upon the making of such prepayments, any amount remaining unapplied (i.e., after the payment in full of the Tranche A Term Loans) shall be returned to the Borrower.

2.13 Conversion and Continuation Options. (a) The Borrower may elect from time to time to convert Eurocurrency Loans made to the Borrower to ABR Loans by giving the Administrative Agent prior irrevocable written notice of such election no later than 12:00 Noon, New York City time, on the third Business Day preceding the proposed conversion date; provided that if any Eurocurrency Loan is so converted on any day other than the last day of the Interest Period applicable thereto, the Borrower shall also pay any amounts owing pursuant to Section 2.21. The Borrower may elect from time to time to convert ABR Loans made to the Borrower to Eurocurrency Loans by giving the Administrative Agent prior irrevocable written notice of such election no later than 12:00 Noon, New York City time, on the third Business Day preceding the proposed conversion date (which notice shall specify the length of the initial Interest Period therefor); provided that no ABR Loan under a particular Facility may be converted into a Eurocurrency Loan when any Event of Default has occurred and is continuing and the Administrative Agent or the Majority Facility Lenders in respect of such Facility have determined in its or their sole discretion not to permit such conversions. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof.

(b) Any Eurocurrency Loan may be continued as such by the Borrower giving irrevocable written notice to the Administrative Agent, in accordance with the applicable provisions of the term "Interest Period" set forth in Section 1.1 and no later than 12:00 Noon, New York City time, on the third Business Day preceding the proposed continuation date, of the length of the next Interest Period to be applicable to such Loans; provided that if any Eurocurrency Loan is so continued on any day other than the last day of the Interest Period applicable thereto, the Borrower shall also pay any amounts owing pursuant to Section 2.21; provided, further, that no Eurocurrency Loan under a particular Facility may be continued as such when any Event of Default has occurred and is continuing and the Administrative Agent has or the Majority Facility Lenders in respect of such Facility have determined in its or their sole discretion not to permit such continuations; and provided, further, that (i) if the Borrower shall fail to give any required notice as described above in this paragraph such Eurocurrency Loans shall be automatically continued as Eurocurrency Loans having an Interest Period of one month's duration on the last day of such then-expiring Interest Period and (ii) if such continuation is not permitted pursuant to the preceding proviso, such Eurocurrency Loans shall be automatically converted to ABR Loans on the last day of such then expiring Interest Period. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof.

2.14 Minimum Amounts and Maximum Number of Eurocurrency Tranches. Notwithstanding anything to the contrary in this Agreement, all borrowings, conversions, continuations and optional prepayments of Eurocurrency Loans and all selections of Interest Periods shall be in such amounts and be made pursuant to such elections so that (a) after giving effect thereto, the aggregate principal amount of the Eurocurrency Loans comprising each Eurocurrency Tranche shall be equal to a

minimum of \$1,000,000 or a whole multiple of \$500,000 in excess thereof and (b) no more than twelve Eurocurrency Tranches shall be outstanding at any one time.

2.15 Interest Rates and Payment Dates. (a) (i) Each Eurocurrency Loan other than a Eurocurrency Loan that is a Tranche B Term Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the Eurocurrency Rate determined for such day plus the Applicable Margin, and (ii) each Eurocurrency Loan that is a Tranche B Term Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to (A) (1) prior to the third anniversary of the Closing Date, the greater of (x) the Eurocurrency Rate determined for such day and (y) 3.00% and (2) thereafter, the Eurocurrency Rate determined for such day plus (B) the Applicable Margin.

(b) (i) Each ABR Loan other than an ABR Loan that is a Tranche B Term Loan shall bear interest at a rate per annum equal to ABR plus the Applicable Margin, and (ii) each ABR Loan that is a Tranche B Term Loan shall bear interest at a rate per annum equal to (A) (1) prior to the third anniversary of the Closing Date, the greater of (x) ABR and (y) 4.00% and (2) thereafter, ABR plus (B) the Applicable Margin.

(c) (i) If all or a portion of the principal amount of any Loan or Reimbursement Obligation shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to (x) in the case of the Loans, the rate that would otherwise be applicable thereto pursuant to the foregoing provisions of this Section 2.15 plus 2% or (y) in the case of Reimbursement Obligations, the rate applicable to ABR Loans under the Revolving Facility plus 2%, and (ii) if all or a portion of any interest payable on any Loan or Reimbursement Obligation or any commitment fee or other amount payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to the rate then applicable to ABR Loans under the relevant Facility plus 2% (or, in the case of any such other amounts that do not relate to a particular Facility, the rate then applicable to ABR Loans under the Revolving Facility plus 2%), in each case, with respect to clauses (i) and (ii) above, from the date of such non-payment until such amount is paid in full (after as well as before judgment); provided that no amount shall be payable pursuant to this Section 2.15(c) to a Defaulting Lender so long as such Lender shall be a Defaulting Lender; provided further no amounts shall accrue pursuant to this Section 2.15(c) on any overdue Loan, Reimbursement Obligation, commitment fee or other amount payable to a Defaulting Lender so long as such Lender shall be a Defaulting Lender

(d) Interest shall be payable by the Borrower in arrears on each Interest Payment Date; provided that interest accruing pursuant to paragraph (c) of this Section 2.15 shall be payable from time to time on demand.

2.16 Computation of Interest and Fees. (a) Interest and fees payable pursuant hereto shall be calculated on the basis of a 360-day year for the actual days elapsed, except that, with respect to ABR Loans the rate of interest on which is calculated on the basis of the Prime Rate, the interest thereon shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed. The Administrative Agent shall as soon as practicable notify the Borrower and the relevant Lenders of each determination of a Eurocurrency Rate. Any change in the interest rate on a Loan resulting from a change in the ABR or the Eurocurrency Reserve Requirements shall become effective as of the opening of business on the day on which such change becomes effective. The Administrative Agent shall as soon as practicable notify the Borrower and the relevant Lenders of the effective date and the amount of each such change in interest rate.

(b) Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Agreement shall be presumptively correct in the absence of demonstrable error. The Administrative Agent shall, at the request of the Borrower, deliver to the Borrower a statement showing the quotations used by the Administrative Agent in determining any interest rate pursuant to Section 2.15(a) and Section 2.15(b).

2.17 Inability to Determine Interest Rate. If prior to the first day of any Interest Period for any Eurocurrency Loan:

(a) the Administrative Agent shall have determined (which determination shall be presumptively correct absent demonstrable error) that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the Eurocurrency Rate for such Interest Period, or

(b) the Administrative Agent shall have received notice from the Majority Facility Lenders in respect of the relevant Facility that by reason of any changes arising after the date of this Agreement the Eurocurrency Rate determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to such Lenders (as certified by such Lenders) of making or maintaining their affected Loans during such Interest Period,

the Administrative Agent shall give teletype notice thereof to the Borrower and the relevant Lenders as soon as practicable thereafter. If such notice is given (x) any Eurocurrency Loans under the relevant Facility requested to be made on the first day of such Interest Period shall be made as ABR Loans, (y) any Loans under the relevant Facility that were to have been converted on the first day of such Interest Period to Eurocurrency Loans shall be continued as ABR Loans and (z) any outstanding Eurocurrency Loans under the relevant Facility shall be converted, on the last day of the then-current Interest Period with respect thereto, to ABR Loans. Until such notice has been withdrawn by the Administrative Agent (which action the Administrative Agent will take promptly after the conditions giving rise to such notice no longer exist), no further Eurocurrency Loans under the relevant Facility shall be made or continued as such, nor shall the Borrower have the right to convert Loans under the relevant Facility to Eurocurrency Loans.

2.18 Pro Rata Treatment and Payments. (a) Each borrowing by the Borrower from the Lenders hereunder, each payment by the Borrower on account of any commitment fee and any reduction of the Revolving Commitments shall be made pro rata according to the respective Tranche A Term Percentages, Tranche B Term Percentages or Revolving Percentages, as the case may be, of the relevant Lenders. Each payment (other than prepayments) in respect of principal or interest in respect of the Tranche A Term Loans, Tranche B Term Loans or New Term Loans and each payment in respect of fees payable hereunder shall be applied to the amounts of such obligations owing to the Tranche A Term Lenders, Tranche B Term Lenders or New Term Lenders, as applicable, pro rata according to the respective amounts then due and owing to such Lenders, other than payments pursuant to Section 2.11(c) or 2.24.

(b) Each mandatory prepayment of the Term Loans shall be allocated between the Tranche A Term Facility, the Tranche B Term Facility and any New Facility comprising Term Loans, if any, pro rata except as affected by the opt-out provision under Section 2.12(e). Each optional prepayment and mandatory prepayment of the Tranche A Term Loans, Tranche B Term Loans or New Term Loans shall be applied to the remaining installments thereof as specified by the Borrower. Amounts repaid or prepaid on account of the Term Loans may not be reborrowed.

(c) Each payment (including prepayments) to be made by the Borrower on account of principal of and interest on the Revolving Loans shall be made pro rata according to the respective outstanding principal amounts of the Revolving Loans then held by the Revolving Lenders. Each payment (including prepayments) to be made by the Borrower on account of principal of and interest on the New Revolving Loans shall be made pro rata according to the respective outstanding principal amounts of the New Revolving Loans then held by the New Lenders. Each payment in respect of Reimbursement Obligations in respect of any Letter of Credit shall be made to the Issuing Lender that issued such Letter of Credit.

(d) All payments (including prepayments) to be made by the Borrower hereunder, whether on account of principal, interest, fees or otherwise, shall be made without setoff, deduction or counterclaim and shall be made prior to 2:00 P.M., New York City time, on the due date thereof to the Administrative Agent, for the account of the relevant Lenders, at the Funding Office, in immediately available funds. Any payment received by the Administrative Agent after 2:00 P.M., New York City time may be considered received on the next Business Day in the Administrative Agent's sole discretion. The Administrative Agent shall distribute such payments to the relevant Lenders promptly upon receipt in like funds as received. If any payment hereunder (other than payments on the Eurocurrency Loans) becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day. If any payment on a Eurocurrency Loan becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day unless the result of such extension would be to extend such payment into another calendar month, in which event such payment shall be made on the immediately preceding Business Day. In the case of any extension of any payment of principal pursuant to the preceding two sentences, interest thereon shall be payable at the then applicable rate during such extension.

(e) Unless the Administrative Agent shall have been notified in writing by any Lender prior to a borrowing that such Lender will not make the amount that would constitute its share of such borrowing available to the Administrative Agent, the Administrative Agent may assume that such Lender is making such amount available to the Administrative Agent, and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower a corresponding amount. If such amount is not made available to the Administrative Agent by the required time on the Borrowing Date therefor, such Lender shall pay to the Administrative Agent on demand, such amount with interest thereon, at a rate equal to the greater of (i) the Federal Funds Effective Rate and (ii) a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, for the period until such Lender makes such amount immediately available to the Administrative Agent. A certificate of the Administrative Agent submitted to any Lender with respect to any amounts owing under this paragraph shall be presumptively correct in the absence of demonstrable error. If such Lender's share of such borrowing is not made available to the Administrative Agent by such Lender within three Business Days after such Borrowing Date, the Administrative Agent shall give notice of such fact to the Borrower and the Administrative Agent shall also be entitled to recover such amount with interest thereon at the rate per annum applicable to ABR Loans under the relevant Facility, on demand, from the Borrower. Nothing herein shall be deemed to limit the rights of the Administrative Agent or the Borrower against any Defaulting Lender.

(f) Unless the Administrative Agent shall have been notified in writing by the Borrower prior to the date of any payment due to be made by the Borrower hereunder that the Borrower will not make such payment to the Administrative Agent, the Administrative Agent may assume that the Borrower is making such payment, and the Administrative Agent may, but shall not be required to, in reliance upon such assumption, make available to the relevant Lenders their respective pro rata shares of a corresponding amount. If such payment is not made to the Administrative Agent by the Borrower within

three Business Days after such due date, the Administrative Agent shall be entitled to recover, on demand, from each relevant Lender to which any amount which was made available pursuant to the preceding sentence, such amount with interest thereon at the rate per annum equal to the daily average Federal Funds Effective Rate. Nothing herein shall be deemed to limit the rights of the Administrative Agent or any Lender against the Borrower.

2.19 Requirements of Law. (a) Except with respect to Taxes, which are addressed in Section 2.20, if the adoption of or any change in any Requirement of Law or in the interpretation or application thereof or compliance by any Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority first made, in each case, subsequent to the date hereof:

(i) shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any office of such Lender that is not otherwise included in the determination of the Eurocurrency Rate hereunder; or

(ii) shall impose on such Lender any other condition not otherwise contemplated hereunder;

and the result of any of the foregoing is to increase the cost to such Lender, by an amount which such Lender reasonably deems to be material, of making, converting into, continuing or maintaining Eurocurrency Loans or issuing or participating in Letters of Credit (in each case hereunder), or to reduce any amount receivable hereunder in respect thereof, then, in any such case, the Borrower shall promptly pay such Lender, in Dollars, within thirty Business Days after the Borrower's receipt of a reasonably detailed invoice therefor (showing with reasonable detail the calculations thereof), any additional amounts necessary to compensate such Lender for such increased cost or reduced amount receivable. If any Lender becomes entitled to claim any additional amounts pursuant to this Section 2.19, it shall promptly notify the Borrower (with a copy to the Administrative Agent) of the event by reason of which it has become so entitled.

(b) If any Lender shall have reasonably determined that the adoption of or any change in any Requirement of Law regarding capital adequacy or in the interpretation or application thereof or compliance by such Lender or any entity controlling such Lender with any request or directive regarding capital adequacy (whether or not having the force of law) from any Governmental Authority first made, in each case, subsequent to the date hereof shall have the effect of reducing the rate of return on such Lender's or such entity's capital as a consequence of its obligations hereunder or under or in respect of any Letter of Credit to a level below that which such Lender or such entity could have achieved but for such adoption, change or compliance (taking into consideration such Lender's or such entity's policies with respect to capital adequacy) by an amount deemed by such Lender to be material, then from time to time, after submission by such Lender to the Borrower (with a copy to the Administrative Agent) of a reasonably detailed written request therefor (consistent with the detail provided by such Lender to similarly situated borrowers), the Borrower shall pay to such Lender, in Dollars, such additional amount or amounts as will compensate such Lender or such entity for such reduction.

(c) A certificate prepared in good faith as to any additional amounts payable pursuant to this Section 2.19 submitted by any Lender to the Borrower (with a copy to the Administrative Agent) shall be presumptively correct in the absence of demonstrable error. Notwithstanding anything to the contrary in this Section 2.19, the Borrower shall not be required to compensate a Lender pursuant to this

Section 2.19 for any amounts incurred more than 180 days prior to the date that such Lender notifies the Borrower of such Lender's intention to claim compensation therefor; provided that if the circumstances giving rise to such claim have a retroactive effect, then such 180-day period shall be extended to include the period of such retroactive effect. The obligations of the Borrower pursuant to this Section 2.19 shall survive the termination of this Agreement and the payment of the Obligations. Notwithstanding the foregoing, the Borrower shall not be obligated to make payment to any of the Administrative Agent or a Lender with respect to penalties, interest and expenses if written demand therefore was not made by the Administrative Agent or such Lender within 180 days from the date on which such party makes payment for such penalties, interest and expenses.

2.20 Taxes. (a) Except as otherwise provided in this Agreement or as required by law, all payments made by the Borrower or any Loan Party under this Agreement and the other Loan Documents to the Administrative Agent or any Lender under this Agreement shall be made free and clear of, and without deduction or withholding for or on account of, any Taxes, excluding (i) net income Taxes, net profits Taxes and franchise Taxes (and net worth Taxes and capital Taxes imposed in lieu of net income Taxes) imposed on the Administrative Agent or any Lender (A) by the jurisdiction (or any political subdivision thereof) under the laws of which the Administrative Agent or any Lender (or, in the case of a pass-through entity, any of its beneficial owners) is organized or in which its applicable lending office is located or (B) as a result of a present or former connection between the Administrative Agent or such Lender or beneficial owner and the jurisdiction of the Governmental Authority imposing such Tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Administrative Agent or such Lender having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement or any other Loan Document) and (ii) any branch profits or backup withholding Taxes imposed by the United States or any similar Tax imposed by any other jurisdiction in which the applicable Borrower or any Loan Party under this Agreement and the other Loan Documents is located or is deemed to be doing business. If any such non-excluded Taxes ("Non-Excluded Taxes") or Other Taxes are required to be withheld from any amounts payable by the Borrower or any Loan Party under this Agreement and the other Loan Documents to the Administrative Agent or any Lender hereunder, the amounts so payable to the Administrative Agent or such Lender shall be increased to the extent necessary to yield to the Administrative Agent or such Lender (after deduction or withholding of all Non-Excluded Taxes and Other Taxes including Non-Excluded Taxes attributable to amounts payable under this Section 2.20(a)) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement; provided, however, that the Borrower or any Loan Party under this Agreement and the other Loan Documents shall not be required to increase any such amounts payable to or in respect of any Lender with respect to any Non-Excluded Taxes (i) that are attributable to such Lender's (or, in the case of a pass-through entity, any of its beneficial owners') failure to comply with the requirements of paragraph (d) or (e), as applicable, of this Section 2.20 or (ii) that are withholding Taxes imposed on amounts payable under this Agreement or the other Loan Documents, unless such Taxes are imposed as a result of a Change in Law occurring after such Lender becomes a party hereto or as a result of any change in facts, occurring after such Lender becomes a party hereto, that is not attributable to the Lender, except (in the case of an assignment) to the extent that such Lender's assignor (if any) was entitled, at the time of such assignment, to receive additional amounts from the Borrower or any Loan Party under this Agreement and the other Loan Documents with respect to such Taxes pursuant to this paragraph.

(b) In addition, the Borrower or any Loan Party under this Agreement and the other Loan Documents shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Whenever any Non-Excluded Taxes or Other Taxes are payable by the Borrower and any Loan Party under this Agreement and the other Loan Documents, as promptly as possible thereafter the Borrower shall send to the Administrative Agent for the account of the Administrative Agent or Lender, as the case may be, a certified copy of an original official receipt received by the Borrower showing payment thereof if such receipt is obtainable, or, if not, such other evidence of payment as may reasonably be required by the Administrative Agent or such Lender. If the Borrower or any Loan Party under this Agreement and the other Loan Documents fails to pay any Non-Excluded Taxes or Other Taxes that the Borrower or any Loan Party under this Agreement and the other Loan Documents is required to pay pursuant to this Section 2.20 (or in respect of which the Borrower or any Loan Party under this Agreement and the other Loan Documents would be required to pay increased amounts pursuant to Section 2.20(a) if such Non-Excluded Taxes or Other Taxes were withheld) when due to the appropriate taxing authority or fails to remit to the Administrative Agent the required receipts or other required documentary evidence, the Borrower or any Loan Party under this Agreement and the other Loan Documents shall indemnify the Administrative Agent and the Lenders for any payments by them of such Non-Excluded Taxes or Other Taxes and for any incremental taxes, interest or penalties that become payable by the Administrative Agent or any Lender as a result of any such failure within thirty days after the Lender or the Administrative Agent delivers to the Borrower (with a copy to the Administrative Agent) either (a) a copy of the receipt issued by a Governmental Authority evidencing payment of such Taxes or (b) certificates as to the amount of such payment or liability prepared in good faith.

(d) Each Lender (and, in the case of a pass-through entity, each of its beneficial owners) that is not a United States person (as such term is defined in Section 7701(a)(30) of the Code) (a "Non-US Lender") shall deliver to the Borrower and the Administrative Agent (or, in the case of a Participant, to the Borrower and to the Lender from which the related participation shall have been purchased) (i) two accurate and complete copies of IRS Form W-8ECI or W-8BEN, or, (ii) in the case of a Non-US Lender claiming exemption from United States federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", a statement substantially in the form of Exhibit F and two accurate and complete copies of IRS Form W-8BEN, or any subsequent versions or successors to such forms, in each case properly completed and duly executed by such Non-US Lender claiming complete exemption from, or a reduced rate of, United States federal withholding tax on all payments by the Borrower or any Loan Party under this Agreement and the other Loan Documents. Such forms shall be delivered by each Non-US Lender on or before the date it becomes a party to this Agreement (or, in the case of any Participant, on or before the date such Participant purchases the related participation). In addition, each Non-US Lender shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such Non-US Lender. Each Non-US Lender shall (i) promptly notify the Borrower at any time it determines that it is no longer in a position to provide any previously delivered certificate to the Borrower (or any other form of certification adopted by the United States taxing authorities for such purpose) and (ii) take such steps as shall not be disadvantageous to it, in its reasonable judgment, and as may be reasonably necessary (including the re-designation of its lending office pursuant to Section 2.23) to avoid any requirement of applicable laws of any such jurisdiction that the Borrower or any Loan Party make any deduction or withholding for taxes from amounts payable to such Lender. Notwithstanding any other provision of this paragraph, a Non-US Lender shall not be required to deliver any form pursuant to this paragraph that such Non-US Lender is not legally able to deliver.

(e) Each Lender (and, in the case of a Lender that is a non-United States pass-through entity, each of its beneficial owners) that is a United States person (as such term is defined in Section 7701(a)(30) of the Code) (a "US Lender") shall deliver to the Borrower and the Administrative Agent two accurate and complete copies of IRS Form W-9, or any subsequent versions or successors to such form and certify that such lender is not subject to backup withholding. Such forms shall be delivered by each



US Lender on or before the date it becomes a party to this Agreement. In addition, each US Lender shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such US Lender. Each US Lender shall promptly notify the Borrower at any time it determines that it is no longer in a position to provide any previously delivered certifications to the Borrower (or any other form of certification adopted by the United States taxing authorities for such purpose).

(f) If the Administrative Agent or any Lender determines, in good faith, that it has received a refund of any Non-Excluded Taxes or Other Taxes as to which it has been indemnified by the Borrower or any Loan Party or with respect to which the Borrower or any Loan Party has paid additional amounts pursuant to this Section 2.20, it shall promptly pay over such refund to the Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower or any Loan Party under this Section 2.20 with respect to the Non-Excluded Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided that the Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority; provided, further, that the Borrower shall not be required to repay to the Administrative Agent or the Lender an amount in excess of the amount paid over by such party to the Borrower pursuant to this Section 2.20. This paragraph shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Borrower or any other Person. In no event will the Administrative Agent or any Lender be required to pay any amount to the Borrower the payment of which would place the Administrative Agent or such Lender in a less favorable net after-tax position than the Administrative Agent or such Lender would have been in if the additional amounts giving rise to such refund of any Non-Excluded Taxes or Other Taxes had never been paid. The agreements in this Section 2.20 shall survive the termination of this Agreement and the payment of the Obligations.

2.21 **Indemnity.** Other than with respect to Taxes, which shall be governed solely by Section 2.20, the Borrower agrees to indemnify each Lender for, and to hold each Lender harmless from, any loss or expense (other than lost profits, including the loss of Applicable Margin) that such Lender may actually sustain or incur as a consequence of (a) any failure by the Borrower in making a borrowing of, conversion into or continuation of Eurocurrency Loans after the Borrower has given a notice requesting the same in accordance with the provisions of this Agreement, (b) any failure by the Borrower in making any prepayment of or conversion from Eurocurrency Loans after the Borrower has given a notice thereof in accordance with the provisions of this Agreement or (c) the making of a prepayment, conversion or continuation of Eurocurrency Loans on a day that is not the last day of an Interest Period with respect thereto. A reasonably detailed certificate as to (showing in reasonable detail the calculation of) any amounts payable pursuant to this Section 2.21 submitted to the Borrower by any Lender shall be presumptively correct in the absence of demonstrable error. This covenant shall survive the termination of this Agreement and the payment of the Obligations.

2.22 **Illegality.** Notwithstanding any other provision herein, if the adoption of or any change in any Requirement of Law or in the interpretation or application thereof, in each case, first made after the date hereof, shall make it unlawful for any Lender to make or maintain Eurocurrency Loans as contemplated by this Agreement, such Lender shall promptly give notice thereof (a "**Rate Determination Notice**") to the Administrative Agent and the Borrower, and (a) the commitment of such Lender hereunder to make Eurocurrency Loans, continue Eurocurrency Loans as such and convert ABR Loans to Eurocurrency Loans shall be suspended during the period of such illegality and (b) such Lender's Loans

then outstanding as Eurocurrency Loans, if any, shall be converted automatically to ABR Loans on the respective last days of the then current Interest Periods with respect to such Loans or within such earlier period as required by law. If any such conversion of a Eurocurrency Loan occurs on a day which is not the last day of the then current Interest Period with respect thereto, the Borrower shall pay to such Lender such amounts, if any, as may be required pursuant to Section 2.21.

2.23 Change of Lending Office. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 2.19, 2.20(a) or 2.22 with respect to such Lender, it will, if requested by the Borrower, use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans affected by such event with the object of avoiding the consequences of such event; provided that such designation is made on terms that, in the good faith judgment of such Lender, cause such Lender and its lending office(s) to suffer no material economic, legal or regulatory disadvantage and; provided, further, that nothing in this Section 2.23 shall affect or postpone any of the obligations of the Borrower or the rights of any Lender pursuant to Section 2.19, 2.20(a) or 2.22.

2.24 Replacement of Lenders. The Borrower shall be permitted to (a) replace with a financial institution or financial institutions, or (b) prepay, without premium or penalty (but subject to Section 2.21), the Loans of, any Lender that (i) requests reimbursement for amounts owing or otherwise results in increased costs imposed on the Borrower or on account of which the Borrower is required to pay additional amounts to any Governmental Authority pursuant to Section 2.19, 2.20 or 2.21 (to the extent a request made by a Lender pursuant to the operation of Section 2.21 is materially greater than requests made by other Lenders) or gives a notice of illegality pursuant to Section 2.22, (ii) defaults in its obligation to make Loans hereunder or to comply with its obligations under Section 3.4, (iii) has refused to consent to any waiver or amendment with respect to any Loan Document that requires such Lender's consent and has been consented to by the Required Lenders; or (iv) becomes the subject of a bankruptcy or insolvency proceeding; provided that, in the case of a replacement pursuant to clause (a) above, (A) such replacement does not conflict with any Requirement of Law, (B) the replacement financial institution or financial institutions shall purchase, at par, all Loans and other amounts owing to such replaced Lender on or prior to the date of replacement, (C) the Borrower shall be liable to such replaced Lender under Section 2.21 (as though Section 2.21 were applicable) if any Eurocurrency Loan owing to such replaced Lender shall be purchased other than on the last day of the Interest Period relating thereto, (D) the replacement financial institution or financial institutions, (x) if not already a Lender, shall be reasonably satisfactory to the Administrative Agent to the extent that an assignment to such replacement financial institution of the rights and obligations being acquired by it would otherwise require the consent of the Administrative Agent pursuant to Section 10.6(b)(i)(B) and (y) shall pay (unless otherwise paid by the Borrower) any processing and recordation fee required under Section 10.6(b)(ii)(B), (E) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 10.6, (F) the Borrower shall pay all additional amounts (if any) required pursuant to Section 2.19 or 2.20, as the case may be, in respect of any period prior to the date on which such replacement shall be consummated, (G) if applicable, the replacement financial institution or financial institutions shall consent to such amendment or waiver and (H) any such replacement shall not be deemed to be a waiver of any rights that the Borrower, the Administrative Agent or any other Lender shall have against the replaced Lender. Prepayments pursuant to clause (b) above (i) shall be accompanied by accrued and unpaid interest on the principal amount so prepaid up to the date of such prepayment and (ii) shall not be subject to the provisions of Section 2.18.

2.25 Incremental Loans. (a) The Borrower may by written notice to the Administrative Agent elect to request the establishment of one or more new term loan or revolving commitments (the "New Loan Commitments") hereunder, in an aggregate amount for all such New Loan

Commitments not in excess of \$100,000,000. Each such notice shall specify the date (each, an “Increased Amount Date”) on which the Borrower proposes that the New Loan Commitments shall be effective, which shall be a date not less than 10 Business Days after the date on which such notice is delivered to the Administrative Agent; provided that any Lender offered or approached to provide all or a portion of any New Loan Commitments may elect or decline, in its sole discretion, to provide such New Loan Commitments.

(b) Such New Loan Commitments shall become effective as of such Increased Amount Date; provided that (i) no Default or Event of Default shall exist on such Increased Amount Date before or after giving effect to such New Loan Commitments and to the making of any Tranche of New Loans pursuant thereto and after giving effect to any Permitted Acquisition consummated in connection therewith; (ii) the Borrower shall be in pro forma compliance with the financial covenants set forth in Section 7.1; (iii) the proceeds of any New Loans shall be used for general corporate purposes of the Borrower and its Subsidiaries (including Permitted Acquisitions and Investments permitted under Section 7.7); (iv) the New Loans shall share ratably in the Collateral; (v) the New Loans that are term loans (“New Term Loans”) shall share ratably in any mandatory prepayments of the existing Term Loans; (vi) in the case of any New Term Loans, the maturity date thereof shall not be earlier than the Tranche B Term Maturity Date and the weighted average life to maturity shall be equal to or greater than the weighted average life to maturity of the Tranche B Term Loans; (vii) in the case of any New Loans that are revolving loans or commitments (“New Revolving Loans”) the maturity date or commitment termination date thereof shall not be earlier than the Revolving Termination Date and such New Revolving Loans shall not require any scheduled commitment reductions prior to the Revolving Termination Date; (viii) the New Revolving Loans shall share ratably in any mandatory prepayments of the existing Revolving Loans; (ix) all terms and documentation with respect to any New Loans which differ from those with respect to the Loans under the applicable Facility shall be reasonably satisfactory to the Administrative Agent (except to the extent permitted by clauses (vi) and (vii) above and the last sentence of this paragraph); (x) such New Loans or New Loan Commitments shall be effected pursuant to one or more Joinder Agreements executed and delivered by the Borrower, the Administrative Agent and one or more New Lenders; (xi) the Borrower shall deliver or cause to be delivered any customary legal opinions or other documents reasonably requested by Administrative Agent in connection with any such transaction, including any supplements or amendments to the Security Documents providing for such New Loans to be secured thereby; and (xii) if the initial “spread” (for purposes of this Section 2.25 the “spread” with respect to any Loan shall be calculated as the sum of the Eurodollar Loan margin on the relevant Loan plus any original issue discount or upfront fees in lieu of original issue discount (other than any arranging fees, underwriting fees and commitment fees) (based on an assumed four-year average life for the applicable Facilities (e.g., 100 basis points in original issue discount or upfront fees equals 25 basis points of interest rate margin))) relating to the New Term Loans exceeds the spread then in effect with respect to the Tranche B Term Loans by more than 0.25%, the Applicable Margin relating to the existing Tranche B Term Loans shall be adjusted so that the spread relating to such New Term Loans does not exceed the spread applicable to the existing Tranche B Term Loans by more than 0.25%. Any New Loans made on an Increased Amount Date that have terms and provisions that differ from those of the Term Loans or Revolving Loans, as applicable, outstanding on the date on which such New Loans are made shall be designated as a separate tranche (a “Tranche”) of Term Loans or Revolving Loans, as applicable, for all purposes of this Agreement, except as the relevant Joinder Agreement otherwise provides. For the avoidance of doubt, the rate of interest and the amortization schedule (if applicable) of any New Loan Commitments shall be determined by the Borrower and the applicable New Lenders and shall be set forth in the applicable Joinder Agreement.

(c) On any Increased Amount Date on which any New Loan Commitment become effective, subject to the foregoing terms and conditions, each lender with a New Loan Commitment (each, a “New Lender”) shall become a Lender hereunder with respect to such New Loan Commitment.

(d) The terms and provisions of the New Loan Commitments of any Tranche shall be, except as otherwise set forth in the relevant Joinder Agreement, identical to those of the applicable Loans and for purposes of this Agreement, any New Loans or New Loan Commitments shall be deemed to be Term Loans, Revolving Loans or Revolving Commitments, as applicable. Each Joinder Agreement may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the opinion of the Administrative Agent, to effect the provisions of this Section 2.25.

### SECTION 3. LETTERS OF CREDIT

3.1 L/C Commitment. (a) Subject to the terms and conditions hereof, each Issuing Lender, in reliance on the agreements of the other Revolving Lenders set forth in Section 3.4(a), agrees to issue letters of credit (“Letters of Credit”) under the Revolving Commitment for the account of the Borrower or any Guarantor on any Business Day during the Revolving Commitment Period in such form as may be approved from time to time by such Issuing Lender; provided that no Issuing Lender shall have any obligation to issue any Letter of Credit if, after giving effect to such issuance, (i) the L/C Obligations would exceed the L/C Commitment or (ii) the aggregate amount of the Available Revolving Commitments would be less than zero. Each Letter of Credit shall (i) be denominated in Dollars and (ii) expire no later than the earlier of (x) the first anniversary of its date of issuance and (y) the date that is three Business Days prior to the Revolving Termination Date (unless cash collateralized or backstopped, in each case in a manner agreed to by the Borrower and the Issuing Lender); provided that any Letter of Credit with a one-year term may provide for the renewal thereof for additional one-year periods (which shall in no event extend beyond the date referred to in clause (y) above).

(b) No Issuing Lender shall at any time be obligated to issue any Letter of Credit if such issuance would conflict with, or cause such Issuing Lender to exceed any limits imposed by, any applicable Requirement of Law.

3.2 Procedure for Issuance of Letter of Credit. The Borrower may from time to time request that the relevant Issuing Lender issue a Letter of Credit (or amend, renew or extend an outstanding Letter of Credit) by delivering to such Issuing Lender at its address for notices specified to the Borrower by such Issuing Lender an Application therefor, with a copy to the Administrative Agent, completed to the reasonable satisfaction of such Issuing Lender, and such other certificates, documents and other papers and information as such Issuing Lender may reasonably request. Upon receipt of any Application, the relevant Issuing Lender will process such Application and the certificates, documents and other papers and information delivered to it in connection therewith in accordance with its customary procedures and shall promptly issue (or amend, renew or extend, as the case may be) the Letter of Credit requested thereby (but in no event without the consent of the applicable Issuing Lender shall any Issuing Lender be required to issue (or amend, renew or extend, as the case may be) any Letter of Credit earlier than three Business Days after its receipt of the Application therefor and all such other certificates, documents and other papers and information relating thereto) by issuing the original of such Letter of Credit (or such amendment, renewal or extension, as the case may be) to the beneficiary thereof or as otherwise may be agreed to by such Issuing Lender and the Borrower. Such Issuing Lender shall furnish a copy of such Letter of Credit to the Borrower promptly following the issuance (or such amendment, renewal or extension, as the case may be) thereof. Each Issuing Lender shall promptly furnish to the Administrative Agent, which shall in turn promptly furnish to the relevant Revolving Lenders, notice of

the issuance (or such amendment, renewal or extension, as the case may be) of each Letter of Credit issued by it (including the amount thereof).

3.3 Fees and Other Charges. (a) The Borrower will pay a fee on each outstanding Letter of Credit requested by it, at a per annum rate equal to the Applicable Margin then in effect with respect to Eurocurrency Loans under the Revolving Facility (minus the fronting fee referred to below), on the face amount of such Letter of Credit, which fee shall be shared ratably among the Revolving Lenders and payable quarterly in arrears on each Fee Payment Date after the issuance date; provided that, with respect to any Defaulting Lender, such Lender's ratable share of any letter of credit fee accrued on the aggregate amount available to be drawn on any outstanding Letters of Credit during the period prior to the time such Lender became a Defaulting Lender and unpaid at such time shall not be payable by the Borrower so long as such Lender shall be a Defaulting Lender except to the extent that such Lender's ratable share of any letter of credit fee shall otherwise have been due and payable by the Borrower prior to such time; provided further that any Defaulting Lender's ratable share of any letter of credit fee accrued on the aggregate amount available to be drawn on any outstanding Letters of Credit shall accrue for the account of the Borrower so long as such Lender shall be a Defaulting Lender. In addition, the Borrower shall pay to each Issuing Lender for its own account a fronting fee on the aggregate face amount of all outstanding Letters of Credit issued by it to the Borrower separately agreed to by the Borrower and such Issuing Lender (but in any event not to exceed 0.25% per annum), payable quarterly in arrears on each Fee Payment Date after the issuance date.

(b) In addition to the foregoing fees, the Borrower shall pay or reimburse each Issuing Lender for costs and expenses agreed by the Borrower and such Issuing Lender in issuing, negotiating, effecting payment under, amending or otherwise administering any Letter of Credit requested by the Borrower.

3.4 L/C Participations. (a) Each Issuing Lender irrevocably agrees to grant and hereby grants to each L/C Participant, and, to induce such Issuing Lender to issue Letters of Credit, each L/C Participant irrevocably agrees to accept and purchase and hereby accepts and purchases from such Issuing Lender, on the terms and conditions set forth below, for such L/C Participant's own account and risk an undivided interest equal to such L/C Participant's Revolving Percentage in such Issuing Lender's obligations and rights under and in respect of each Letter of Credit issued by it and the amount of each draft paid by such Issuing Lender thereunder. Each L/C Participant agrees with each Issuing Lender that, if a draft is paid under any Letter of Credit issued by it for which such Issuing Lender is not reimbursed in full by the Borrower in accordance with the terms of this Agreement, such L/C Participant shall pay to the Administrative Agent for the account of such Issuing Lender upon demand an amount equal to such L/C Participant's Revolving Percentage of the amount of such draft, or any part thereof, that is not so reimbursed; provided that, nothing in this paragraph shall relieve the Issuing Lender of any liability resulting from the gross negligence or willful misconduct of the Issuing Lender. Each L/C Participant's obligation to pay such amount shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right that such L/C Participant may have against any Issuing Lender, the Borrower or any other Person for any reason whatsoever, (ii) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Section 5, (iii) any adverse change in the financial condition of the Borrower, (iv) any breach of this Agreement or any other Loan Document by the Borrower, any other Loan Party or any other L/C Participant or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

(b) If any amount required to be paid by any L/C Participant to the Administrative Agent for the account of any Issuing Lender pursuant to Section 3.4(a) in respect of any unreimbursed portion of

any payment made by such Issuing Lender under any Letter of Credit is paid to the Administrative Agent for the account of such Issuing Lender within three Business Days after the date such payment is due, such L/C Participant shall pay to the Administrative Agent for the account of such Issuing Lender on demand an amount equal to the product of (i) such amount, times (ii) the daily average Federal Funds Effective Rate during the period from and including the date such payment is required to the date on which such payment is immediately available to such Issuing Lender, times (iii) a fraction the numerator of which is the number of days that elapse during such period and the denominator of which is 360. If any such amount required to be paid by any L/C Participant pursuant to Section 3.4(a) is not made available to the Administrative Agent for the account of the relevant Issuing Lender by such L/C Participant within three Business Days after the date such payment is due, such Issuing Lender shall be entitled to recover from such L/C Participant, on demand, such amount with interest thereon calculated from such due date at the rate per annum applicable to ABR Loans under the Revolving Facility. A certificate of the relevant Issuing Lender submitted to any relevant L/C Participant with respect to any amounts owing under this Section 3.4 shall be presumptively correct in the absence of demonstrable error.

(c) Whenever, at any time after any Issuing Lender has made payment under any Letter of Credit and has received from any L/C Participant its pro rata share of such payment in accordance with Section 3.4(a) such Issuing Lender receives any payment related to such Letter of Credit (whether directly from the Borrower or otherwise, including proceeds of collateral applied thereto by such Issuing Lender), or any payment of interest on account thereof, such Issuing Lender will distribute to the Administrative Agent for the account of such L/C Participant its pro rata share thereof; provided, however, that in the event that any such payment received by such Issuing Lender shall be required to be returned by such Issuing Lender, such L/C Participant shall return to the Administrative Agent for the account of such Issuing Lender the portion thereof previously distributed by such Issuing Lender to it.

3.5 Reimbursement Obligation of the Borrower. The Borrower agrees to reimburse each Issuing Lender on the Business Day following the date on which such Issuing Lender notifies the Borrower of the date and amount of a draft presented under any Letter of Credit issued by such Issuing Lending at the Borrower's request and paid by such Issuing Lender for the amount of (a) such draft so paid and (b) any Non-Excluded Taxes and Other Taxes, fees, charges or other costs or expenses reasonably incurred by such Issuing Lender in connection with such payment (the amounts described in the foregoing clauses (a) and (b) in respect of any drawing, collectively, the "Payment Amount"). Each such payment shall be made to such Issuing Lender at its address for notices specified to the Borrower and in immediately available funds. Interest shall be payable on any such amounts from the date on which the relevant draft is paid until payment in full at a rate equal to (i) until the second Business Day next succeeding the date of the relevant notice, the rate applicable to ABR Loans under the Revolving Facility and (ii) thereafter, the rate set forth in Section 2.15(c).

3.6 Obligations Absolute. The Borrower's obligations under this Section 3 shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment that the Borrower may have or have had against any Issuing Lender, any beneficiary of a Letter of Credit or any other Person. The Borrower also agrees with each Issuing Lender that such Issuing Lender shall not be responsible for, and the Borrower's Reimbursement Obligations under Section 3.5 shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even though such documents shall in fact prove to be invalid, fraudulent or forged, or any dispute between or among the Borrower and any beneficiary of any Letter of Credit or any other party to which such Letter of Credit may be transferred or any claims whatsoever of the Borrower against any beneficiary of such Letter of Credit or any such transferee, or any other events or circumstances that, pursuant to applicable law or the applicable customs and practices promulgated by the International Chamber of Commerce, are not within the responsibility of such Issuing Lender, except for

errors, omissions, interruptions or delays resulting from the gross negligence or willful misconduct of such Issuing Lender or its employees or agents. No Issuing Lender shall be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit, except for errors, omissions, interruptions or delays resulting from the gross negligence or willful misconduct of such Issuing Lender or its employees or agents. The Borrower agrees that any action taken or omitted by any Issuing Lender under or in connection with any Letter of Credit or the related drafts or documents, if done in the absence of gross negligence or willful misconduct and in accordance with the standards or care specified in the Uniform Commercial Code of the State of New York, shall be binding on the Borrower and shall not result in any liability of such Issuing Lender to the Borrower.

3.7 Letter of Credit Payments. If any draft shall be presented for payment under any Letter of Credit, the relevant Issuing Lender shall promptly notify the Borrower of the date and amount thereof. The responsibility of such Issuing Lender to the Borrower in connection with any draft presented for payment under any Letter of Credit issued by such Issuing Lender shall, in addition to any payment obligation expressly provided for in such Letter of Credit, be limited to determining that the documents (including each draft) delivered under such Letter of Credit in connection with such presentment are substantially in conformity with such Letter of Credit.

3.8 Applications. To the extent that any provision of any Application related to any Letter of Credit is inconsistent with the provisions of this Agreement or any other Loan Document, the provisions of this Agreement or such other Loan Document shall apply.

#### SECTION 4. REPRESENTATIONS AND WARRANTIES

To induce the Agents and the Lenders to enter into this Agreement and to make the Loans and issue or participate in the Letters of Credit, Holdings (to the extent applicable) and the Borrower hereby jointly represent and warrant (as to itself and each of its Restricted Subsidiaries) to the Agents and each Lender, which representations and warranties shall be deemed made on the Closing Date (to the extent relating to Holdings or the Initial Borrower, immediately before giving effect to the Merger Transactions and to the extent relating to Holdings, the Surviving Borrower or any Restricted Subsidiary, immediately after giving effect to the Merger Transactions) and on the date of each borrowing of Loans or issuance, extension or renewal of a Letter of Credit hereunder that:

4.1 Financial Condition. (a) The audited consolidated balance sheet of the Company and its Subsidiaries as at March 31, 2006, March 31, 2007 and March 31, 2008, and the related statements of income and of cash flows for the fiscal years ended on such dates, in each case with consolidating schedules for the U.S. government business of the Company and the other businesses of the Company, reported on by and accompanied by an unqualified report from Ernst & Young LLP, present fairly in all material respects the financial condition of the Company and its Subsidiaries as at such date, and the results of, their operations, their cash flows and their changes in stockholders' equity for the respective fiscal years then ended. All such financial statements, including the related schedules and notes thereto and year end adjustments, have been prepared in accordance with GAAP (except as otherwise noted therein).

(b) The pro forma consolidated balance sheet of the Borrower and its Subsidiaries as of June 30, 2008 (i) has been prepared in good faith based on assumptions that are believed by the Borrower to be reasonable at the time made (it being understood that such assumptions are based on good faith estimates with respect to certain items and that the actual amounts of such items on the Closing Date is subject to variation), (ii) accurately reflects all adjustments necessary to give effect to the Transactions

and (iii) presents fairly, in all material respects, the pro forma financial position of the Borrower and its Subsidiaries as of June 30, 2008, as if the Transactions had occurred on such date; provided that such pro forma balance sheet has been prepared without giving effect to all purchase accounting or similar adjustments.

4.2 No Change. (a) As of the Closing Date, there has been no event, circumstance, development, change or effect that has had a Closing Date Material Adverse Effect since the date of the Merger Agreement.

(b) At any time after the Closing Date as of which this representation and warranty is made or deemed made, there has been no event, development or circumstance since March 31, 2008 that has had or would reasonably be expected to have a Material Adverse Effect.

4.3 Existence; Compliance with Law. Except as set forth in Schedule 4.3, each of Holdings, the Borrower and its Restricted Subsidiaries (other than any Immaterial Subsidiaries) (a) (i) is duly organized (or incorporated), validly existing and in good standing (or, only where if applicable, the equivalent status in any foreign jurisdiction) under the laws of the jurisdiction of its organization or incorporation, (ii) has the corporate or organizational power and authority, and the legal right, to own and operate its Property, to lease the Property it operates as lessee and to conduct the business in which it is currently engaged, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect and (iii) is duly qualified as a foreign corporation or limited liability company and in good standing (where such concept is relevant) under the laws of each jurisdiction where its ownership, lease or operation of Property or the conduct of its business requires such qualification except, in each case, to the extent that the failure to be so qualified or in good standing (where such concept is relevant) would not have a Material Adverse Effect and (b) is in compliance with all Requirements of Law except to the extent that any such failure to comply therewith would not have a Material Adverse Effect.

4.4 Corporate Power; Authorization; Enforceable Obligations. (a) Each Loan Party has the corporate power and authority to make, deliver and perform the Loan Documents to which it is a party and, in the case of the Borrower, to borrow or have Letters of Credit issued hereunder. Each Loan Party has taken all necessary corporate or other action to authorize the execution, delivery and performance of the Loan Documents to which it is a party and, in the case of the Borrower, to authorize the extensions of credit on the terms and conditions of this Agreement.

(b) No consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority is required in connection with the extensions of credit hereunder or the execution, delivery, performance, validity or enforceability of this Agreement or any of the other Loan Documents, except (i) consents, authorizations, filings and notices described in Schedule 4.4, which consents, authorizations, filings and notices have been obtained or made and are in full force and effect or the failure to obtain which would not reasonably be expected to have a Material Adverse Effect and (ii) the filings referred to in Section 4.17.

(c) Each Loan Document has been duly executed and delivered on behalf of each Loan Party that is a party thereto. This Agreement constitutes, and each other Loan Document upon execution will constitute, a legal, valid and binding obligation of each Loan Party that is a party thereto, enforceable against each such Loan Party in accordance with its terms (provided that, with respect to the creation and perfection of security interests with respect to the Capital Stock of Foreign Subsidiaries, only to the extent enforceability of such obligation with respect to which Capital Stock is governed by the Uniform Commercial Code), except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by



general equitable principles (whether enforcement is sought by proceedings in equity or at law) and the implied covenants of good faith and fair dealing.

4.5 No Legal Bar. The execution, delivery and performance of this Agreement and the other Loan Documents by the Loan Parties thereto, the issuance of Letters of Credit, the borrowings hereunder and the use of the proceeds thereof will not (a) violate the organizational or governing documents of the Loan Parties, (b) except as would not reasonably be expected to have a Material Adverse Effect, violate any Requirement of Law binding on the Borrower or any of its Restricted Subsidiaries or any Contractual Obligation of Holdings, the Borrower or any of its Restricted Subsidiaries or (c) except as would not have a Material Adverse Effect, result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to any Requirement of Law or any such Contractual Obligation (other than the Liens permitted by Section 7.3).

4.6 No Material Litigation. Except as set forth in Schedule 4.6, no litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of the Borrower, likely to be commenced within a reasonable time period against the Borrower or any of its Restricted Subsidiaries or against any of their Properties which, taken as a whole, would reasonably be expected to have a Material Adverse Effect.

4.7 No Default. No Default or Event of Default has occurred and is continuing (other than, on the Closing Date, as a result of a breach of any representation or warranty other than any Specified Representation).

4.8 Ownership of Property; Liens. Except as set forth in Schedule 4.8A, each of the Borrower and its Restricted Subsidiaries has good title in fee simple to, or a valid leasehold interest in, all its Real Property, and good title to, or a valid leasehold interest in, all its other Property (other than Intellectual Property), in each case, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect, and none of such Property is subject to any Lien except as permitted by the Loan Documents. Schedule 4.8B lists all Real Property which is owned or leased by any Loan Party as of the Closing Date.

4.9 Intellectual Property. Each of the Borrower and its Restricted Subsidiaries owns, or has a valid license to use, all Intellectual Property necessary for the conduct of its business as currently conducted free and clear of all Liens except as permitted by the Loan Documents, other than Intellectual Property owned by a Special Purpose Entity, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect. To the Borrower's knowledge, no holding, injunction, decision or judgment has been rendered by any Governmental Authority against the Borrower or any Restricted Subsidiary and neither the Borrower nor any of its Restricted Subsidiaries has entered into any settlement stipulation or other agreement (except license agreements in the ordinary course of business) which would limit, cancel or question the validity of the Borrower's or any Restricted Subsidiary's rights in, any Intellectual Property in any respect that would reasonably be expected to have a Material Adverse Effect. To the Borrower's knowledge, no claim has been asserted or threatened or is pending by any Person challenging or questioning the use by the Borrower or its Restricted Subsidiaries of any Intellectual Property owned by the Borrower or any of its Restricted Subsidiaries or the validity or effectiveness of any Intellectual Property, except as would not reasonably be expected to have a Material Adverse Effect. To the Borrower's knowledge, the use of Intellectual Property by the Borrower and its Restricted Subsidiaries does not infringe on the rights of any Person in a manner that would reasonably be expected to have a Material Adverse Effect. The Borrower and its Restricted Subsidiaries take all reasonable actions that in the exercise of their reasonable business judgment should be taken to protect their

Intellectual Property, including Intellectual Property that is confidential in nature, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

4.10 Taxes. Each of Holdings, the Borrower and its Restricted Subsidiaries (i) has filed or caused to be filed all federal, state, provincial and other tax returns that are required to be filed and (ii) has paid all taxes shown to be due and payable on said returns and all other taxes, fees or other charges imposed on it or any of its Property by any Governmental Authority (other than any the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which any reserves required in conformity with GAAP have been provided on the books of the Borrower or such Restricted Subsidiary, as the case may be), except in each case where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

4.11 Federal Regulations. No part of the proceeds of any Loans, and no other extensions of credit hereunder, will be used for any purpose that violates the provisions of the regulations of the Board. If requested by any Lender (through the Administrative Agent) or the Administrative Agent, the Borrower will furnish to the Administrative Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form G-3 or FR Form U-1 referred to in Regulation U.

4.12 ERISA. (a) Except as would not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect: (i) neither a Reportable Event nor a failure to meet the minimum funding standards (within the meaning of Section 412(a) of the Code or Section 302(a)(2) of ERISA) with respect to periods beginning on or after January 1, 2008 or an "accumulated funding deficiency" (within the meaning of Section 412(a) of the Code or Section 302(a)(2) of ERISA) has occurred during the five-year period prior to the date on which this representation is made with respect to any Single Employer Plan, and each Single Employer Plan has complied with the applicable provisions of ERISA and the Code; (ii) no termination of a Single Employer Plan has occurred, and no Lien in favor of the PBGC or a Plan has arisen on the assets of Holdings, the Borrower or any of its Restricted Subsidiaries, during such five-year period; the present value of all accrued benefits under each Single Employer Plan (based on those assumptions used to fund such Plans) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Single Employer Plan allocable to such accrued benefits; (iii) none of Holdings, the Borrower or any of its Restricted Subsidiaries has had a complete or partial withdrawal from any Multiemployer Plan that has resulted or would reasonably be expected to result in a liability under ERISA; (iv) none of Holdings, the Borrower or any of its Restricted Subsidiaries would become subject to any liability under ERISA if the Borrower or such Restricted Subsidiary were to withdraw completely from all Multiemployer Plans as of the valuation date most closely preceding the date on which this representation is made; and (v) no Multiemployer Plan is in Reorganization or Insolvent.

(b) Holdings, the Borrower and its Restricted Subsidiaries have not incurred, and do not reasonably expect to incur, any liability under ERISA or the Code with respect to any plan within the meaning of Section 3(3) of ERISA which is subject to Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA that is maintained by a Commonly Controlled Entity (other than Holdings, the Borrower and its Restricted Subsidiaries) (a "Commonly Controlled Plan") merely by virtue of being treated as a single employer under Title IV of ERISA with the sponsor of such plan that would reasonably be likely to have a Material Adverse Effect and result in a direct obligation of Holdings, the Borrower or any of its Restricted Subsidiaries to pay money.

4.13 Investment Company Act. No Loan Party is an “investment company”, or a company “controlled” by an “investment company”, within the meaning of the Investment Company Act of 1940, as amended.

4.14 Subsidiaries. (a) The Subsidiaries listed on Schedule 4.14 constitute all the Subsidiaries of the Borrower at the date of this Agreement (and after giving effect to the Merger Transactions and, to the extent applicable, the Company Reorganization). Schedule 4.14 sets forth as of the Closing Date the name and jurisdiction of incorporation of each Subsidiary and, as to each Subsidiary, the percentage of each class of Capital Stock owned by any Loan Party and the designation of such Subsidiary as a Restricted Subsidiary or an Unrestricted Subsidiary.

(b) As of the Closing Date (and after giving effect to the Merger Transactions and, to the extent applicable, the Company Reorganization), except as set forth on Schedule 4.14 or as otherwise contemplated by the Merger Agreement, there are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments (other than stock options granted to officers, employees or directors and directors’ qualifying shares) of any nature relating to any Capital Stock of the Borrower or any of its Restricted Subsidiaries.

4.15 Environmental Matters. Other than exceptions to any of the following that would not reasonably be expected to have a Material Adverse Effect, none of the Borrower or any of its Restricted Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law for the operation of the Business; or (ii) has become subject to any Environmental Liability.

4.16 Accuracy of Information, etc. As of the Closing Date, no statement or information (excluding the projections and pro forma financial information referred to below) contained in this Agreement, any other Loan Document or any certificate furnished to the Administrative Agent or the Lenders or any of them, by or on behalf of any Loan Party for use in connection with the transactions contemplated by this Agreement or the other Loan Documents when taken as a whole, contained as of the date such statement, information, or certificate was so furnished, any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, not materially misleading. As of the Closing Date, the projections and pro forma financial information contained in the materials referenced above are based upon good faith estimates and assumptions believed by management of the Borrower to be reasonable at the time made, in light of the circumstances under which they were made, it being recognized by the Agents and the Lenders that such financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial information may differ from the projected results set forth therein by a material amount.

4.17 Security Documents. (a) The Guarantee and Collateral Agreement is effective to create in favor of the Collateral Agent for the benefit of the Secured Parties, a legal, valid and enforceable security interest in the Collateral described therein of a type in which a security interest can be created under Article 9 of the UCC (including any proceeds of any such item of Collateral); provided that for purposes of this Section 4.17(a), Collateral shall be deemed to exclude any Property expressly excluded from the definition of “Collateral” as set forth in the Guarantee and Collateral Agreement (the “Excluded Collateral”). In the case of (i) the Pledged Securities described in the Guarantee and Collateral Agreement (other than Excluded Capital Stock) when any stock certificates or notes, as applicable, representing such Pledged Securities are delivered to the Collateral Agent, (ii) the Material Deposit Accounts and Material Securities Accounts described in the Guarantee and Collateral Agreement, when control agreements with respect to such Material Deposit Accounts and Material Securities Accounts are

executed granting "control" (as defined in the UCC) of such accounts to the Collateral Agent and (iii) the other Collateral described in the Guarantee and Collateral Agreement (other than Excluded Collateral and deposit accounts and securities accounts that do not constitute Material Deposit Accounts and Material Securities Accounts), when financing statements in appropriate form are filed in the offices specified on Schedule 4.17 (which financing statements have been duly completed and executed (as applicable) and delivered to the Collateral Agent) and such other filings as are specified on Schedule 3 to the Guarantee and Collateral Agreement are made, the Collateral Agent shall have a fully perfected first priority Lien on, and security interest in, all right, title and interest of the Loan Parties in such Collateral (including any proceeds of any item of Collateral) (to the extent a security interest in such Collateral can be perfected through the filing of financing statements in the offices specified on Schedule 4.17 and the filings specified on Schedule 3 to the Guarantee and Collateral Agreement, and through the delivery of the Pledged Securities required to be delivered on the Closing Date), as security for the Obligations, in each case prior in right to the Lien of any other Person (except (i) in the case of Collateral other than Pledged Securities, Liens permitted by Section 7.3 and (ii) Liens having priority by operation of law) to the extent required by the Guarantee and Collateral Agreement.

(b) Upon the execution and delivery of any Mortgage to be executed and delivered pursuant to Section 6.8(b), such Mortgage shall be effective to create in favor of the Collateral Agent for the benefit of the Secured Parties a legal, valid and enforceable Lien on the Mortgaged Property described therein and proceeds thereof, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law) and the implied covenants of good faith and fair dealing; and when such Mortgage is filed in the recording office designated by the Borrower, such Mortgage shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in such Mortgaged Property and the proceeds thereof, as security for the Obligations (as defined in the relevant Mortgage), in each case prior and superior in right to any other Person (other than Liens permitted by Section 7.3 or other encumbrances or rights permitted by the relevant Mortgage).

4.18 Solvency. As of the Closing Date, the Loan Parties are (on a consolidated basis), and after giving effect to the Transactions will be, Solvent.

#### SECTION 5. CONDITIONS PRECEDENT

5.1 Conditions to Initial Extension of Credit. The agreement of each Lender to make the initial extension of credit requested to be made by it is subject to the satisfaction (or waiver), prior to or concurrently with the making of such extension of credit on the Closing Date, of the following conditions precedent:

(a) Credit Agreement; Mezzanine Loan Facility. The Administrative Agent shall have received (i) this Agreement, executed and delivered by the Administrative Agent, the Collateral Agent, Holdings, the Borrower, the Lead Arrangers, the Lenders party hereto and the Issuing Bank, (ii) the Guarantee and Collateral Agreement, executed and delivered by Holdings, the Borrower and each Subsidiary Guarantor and (iii) (subject to the last paragraph of this Section 5.1) with respect to each Material Real Property owned by a Loan Party as of the Closing Date, a Mortgage executed and delivery by such Loan Party in favor of the Collateral Agent for the benefit of the Secured Parties, covering such Real Property (together with such other documents relating thereto consistent with the requirements of Section 6.8(b)). The Administrative Agent shall have received evidence that the Mezzanine Loan Agreement has been executed and

delivered by all Persons stated to be a party thereto in the form then most recently delivered to the Administrative Agent, and the Mezzanine Loans shall have been made.

(b) Transaction, etc. The following transactions shall be consummated:

(i) Merger. The Merger Transactions shall be consummated substantially concurrently with the initial funding of the Loans on the Closing Date (A) in accordance with the Merger Agreement and the related disclosure schedules and exhibits thereto, without waiver or amendment of any material provision thereof (other than any such waivers or amendments (including, without limitation, with respect to any representations and warranties in the Merger Agreement) as are not materially adverse to the Lenders or the Lead Arrangers (including, without limitation, the definition of "Company Material Adverse Effect" therein and the representation and warranty set forth in Section 4.8(c) thereof)) unless consented to by the Lead Arrangers (which consent shall not be unreasonably withheld or delayed) or (B) on such other terms and conditions as are reasonably satisfactory to the Lead Arrangers.

(ii) Equity Financing. The Permitted Investors shall have made equity contributions to, or purchased for cash equity of, Holdings in an aggregate amount that, together with all roll-over equity, constitutes not less than 40% of the pro forma capitalization of Holdings and its subsidiaries on a consolidated basis (after giving effect to the Transactions but excluding any Loans made or Letters of Credit issued under the Revolving Facility).

(iii) The representation and warranty of the Company contained in Section 4.8(c) of the Merger Agreement shall be true and correct as of the Closing Date as if made on and as of the Closing Date, except where the failure of such representation and warranty to be so true and correct has not had and would not be reasonably likely to have, individually or in the aggregate, a Closing Date Material Adverse Effect.

(c) Solvency Certificate. The Administrative Agent shall have received a solvency certificate signed by the chief financial officer on behalf of Holdings, substantially in the form of Exhibit G.

(d) Lien Searches. The Collateral Agent shall have received the results of a recent lien search in each of the jurisdictions in which Uniform Commercial Code financing statements or other filings or recordations should be made to evidence or perfect security interests in all assets of the Loan Parties, and such search shall reveal no liens on any of the assets of the Loan Party, except for Liens permitted by Section 7.3 or liens to be discharged on or prior to the Closing Date.

(e) Closing Certificate. The Administrative Agent shall have received a certificate of each Loan Party, dated as of the Closing Date, substantially in the form of Exhibit C, with appropriate insertions and attachments.

(f) Legal Opinions. The Administrative Agent shall have received an executed legal opinion of (i) Debevoise & Plimpton LLP, special New York counsel to the Loan Parties, substantially in the form of Exhibit E-1 and (ii) Morris, Nichols, Arsht & Tunnell LLP, special Delaware counsel to the Loan Parties, substantially in the form of Exhibit E-2.

(g) Pledged Stock; Stock Powers. The Collateral Agent shall have received the certificates, if any, representing the shares of Capital Stock held by a Loan Party pledged pursuant to the Guarantee and Collateral Agreement, together with an undated stock power for each such certificate executed in blank by a duly authorized officer of the pledgor thereof.

(h) Filings, Registrations and Recordings. Each document (including, without limitation, any Uniform Commercial Code financing statement) required by the Security Documents to be filed, registered or recorded in order to create in favor of the Collateral Agent for the benefit of the Secured Parties, a first priority perfected Lien on the Collateral described therein, shall have been delivered to the Collateral Agent in proper form for filing, registration or recordation.

(i) Insurance. The Administrative Agent shall have received insurance certificates satisfying the requirements of Section 6.5(c).

(j) USA Patriot Act. The Lenders shall have received from each of the Loan Parties documentation and other information requested by any Lender no less than 10 calendar days prior to the Closing Date that is required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the USA Patriot Act.

(k) Specified Representations. The Specified Representations shall be true and correct in all material respects.

Notwithstanding anything in any Loan Document to the contrary, (i) other than with respect to any Closing Date UCC Filing Collateral or Closing Date Stock Certificates, to the extent any collateral is not provided on the Closing Date after the Borrower's use of commercially reasonable efforts to do so, the delivery of such collateral shall not constitute a condition precedent to the availability of the Loans on the Closing Date, (ii) with respect to perfection of security interests in the Closing Date UCC Filing Collateral, the Borrower's sole obligation shall be to deliver, or cause to be delivered, necessary UCC financing statements to the Administrative Agent or to irrevocably authorize or cause the applicable Guarantor to irrevocably authorize the Administrative Agent to file necessary UCC financing statements and (iii) with respect to perfection of security interests in Closing Date Stock Certificates, the Borrower's sole obligation shall be to deliver to the Administrative Agent the Closing Date Stock Certificates as and to the extent they are delivered to the Borrower by the Company pursuant to the Merger Agreement, in each case, duly endorsed in blank.

5.2 Conditions to Each Revolving Loan Extension of Credit After Closing Date. The agreement of each Lender to make any Revolving Loan or to issue or participate in any Letter of Credit hereunder on any date after the Closing Date is subject to the satisfaction of the following conditions precedent:

(a) Representations and Warranties. Each of the representations and warranties made by any Loan Party in or pursuant to the Loan Documents shall be true and correct in all material respects, in each case on and as of such date as if made on and as of such date except to the extent that such representations and warranties relate to an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date.

(b) No Default. No Default or Event of Default shall have occurred and be continuing on such date or after giving effect to the extensions of credit requested to be made on such date.

Each borrowing of a Revolving Loan by and issuance, extension or renewal of a Letter of Credit on behalf of the Borrower hereunder after the Closing Date shall constitute a representation and warranty by the Borrower as of the date of such extension of credit that the conditions contained in this Section 5.2 have been satisfied.

#### SECTION 6. AFFIRMATIVE COVENANTS

The Borrower (on behalf of itself and each of the Restricted Subsidiaries) hereby agrees that, so long as the Commitments remain in effect, any Letter of Credit remains outstanding (that has not been cash collateralized or backstopped, in each case on terms agreed to by the Borrower and the applicable Issuing Lender) or any Loan or other amount is owing to any Lender or any Agent hereunder (other than (i) contingent or indemnification obligations not then due and (ii) obligations in respect of Specified Hedge Agreements or Cash Management Obligations), the Borrower shall, and shall cause each of the Restricted Subsidiaries to:

6.1 Financial Statements. Furnish to the Administrative Agent for delivery to each Lender (which may be delivered via posting on IntraLinks or another similar electronic platform):

(a) within 120 days (or 135 days with respect to the fiscal year ending March 31, 2009) after the end of each fiscal year of the Borrower, commencing with the fiscal year ending March 31, 2009, a copy of the audited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such year and the related audited consolidated statements of income and of cash flows for such year, setting forth, commencing with the financial statements with respect to the fiscal year ending March 31, 2010, in comparative form the figures as of the end of and for the previous year, reported on without qualification arising out of the scope of the audit, by Ernst & Young LLP or other independent certified public accountants of nationally recognized standing; and

(b) within 45 days (or 60 days with respect to the fiscal quarters ending prior to March 31, 2009) after the end of each of the first three quarterly periods of each fiscal year of the Borrower, commencing with the fiscal quarter ending September 30, 2008, the unaudited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such quarter and the related unaudited consolidated statements of income and of cash flows for such quarter and the portion of the fiscal year through the end of such quarter, setting forth, commencing after the first full fiscal year after the Closing Date, in comparative form the figures as of the end of and for the corresponding period in the previous year, certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year-end audit adjustments and the lack of notes);

all such financial statements to be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein and with prior periods (except as disclosed therein and except in the case of the financial statements referred to in clause (b), for customary year-end adjustments and the absence of footnotes). The Borrower may satisfy its obligations under this Section 6.1 with respect to financial information of the Borrower and its consolidated Subsidiaries by delivering information relating to Holdings, the Borrower and its consolidated Subsidiaries.

Documents required to be delivered pursuant to this Section 6.1 may be delivered by posting such documents electronically with notice of such posting to the Administrative Agent and if so posted, shall be deemed to have been delivered on the date on which such documents are posted on the Borrower's behalf on IntraLinks/IntraAgency or another relevant website, if any, to which each Lender

and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent).

6.2 Certificates; Other Information. Furnish to the Administrative Agent for delivery to each Lender, or, in the case of clause (g), to the relevant Lender:

(a) to the extent permitted by the internal policies of such independent certified public accountants, concurrently with the delivery of the financial statements referred to in Section 6.1(a), a certificate of the independent certified public accountants in customary form reporting on such financial statements stating that in making the examination necessary therefor no knowledge was obtained of any Default or Event of Default arising under Section 7.1, except as specified in such certificate;

(b) concurrently with the delivery of any financial statements pursuant to Section 6.1, (i) a Compliance Certificate of a Responsible Officer on behalf of the Borrower stating that such Responsible Officer has obtained no knowledge of any Default or Event of Default that has occurred and is continuing except as specified in such certificate and (ii) to the extent not previously disclosed to the Administrative Agent, (x) a description of any Default or Event of Default that occurred and (y) a description of any new Subsidiary and of any change in the name or jurisdiction of organization of any Loan Party and a listing of any material registrations of or applications for United States Intellectual Property by any Loan Party since the date of the most recent list delivered pursuant to this clause (or, in the case of the first such list so delivered, since the Closing Date);

(c) not later than 120 days (or 135 days with respect to the fiscal year ending March 31, 2009) after the end of each fiscal year of the Borrower, a detailed consolidated budget for the following fiscal year (including a projected consolidated balance sheet of the Borrower and its Subsidiaries as of the end of the following fiscal year and the related consolidated statements of projected cash flow and projected income (collectively, the "Annual Operating Budget"); provided that at any time the Borrower, Holdings or any Parent Company is subject to the reporting requirements set forth in Section 13(a) or 15(d) of the Securities Exchange Act of 1934, the Administrative Agent shall deliver the Annual Operating Budget only to "private-side" Lenders (i.e., Lenders that wish to receive material non-public information with respect to any Loan Party or its securities for purposes of United States federal or state securities laws).

(d) promptly after the same are sent, copies of all financial statements and material reports that the Borrower sends to the holders of any class of its debt securities or public equity securities (except for Permitted Investors) and, promptly after the same are filed, copies of all financial statements and reports that the Borrower may make to, or file with, the SEC, in each case to the extent not already provided pursuant to Section 6.1 or any other clause of this Section 6.2;

(e) promptly upon delivery thereof to the Borrower and to the extent permitted, copies of any accountants' letters addressed to its Board of Directors (or any committee thereof);

(f) promptly upon delivery thereof under the relevant agreement, notice of any default or event of default under the Mezzanine Loan Facility, and, prior to the effectiveness thereof, copies of substantially final drafts of any proposed material amendment, supplement, waiver or other modification with respect to the Mezzanine Loan Facility; and



(g) promptly, such additional financial and other information as the Administrative Agent (for its own account or upon the request from any Lender) may from time to time reasonably request.

Notwithstanding anything to the contrary in this Section 6.2, none of Holdings, the Borrower or any of the Restricted Subsidiaries will be required to disclose any document, information or other matter that (i) constitutes non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors) is prohibited by Law or any binding agreement, (iii) is subject to attorney-client or similar privilege or constitutes attorney work product or (iv) constitutes classified information.

Documents required to be delivered pursuant to this Section 6.2 may be delivered by posting such documents electronically with notice of such posting to the Administrative Agent and each Lender and if so posted, shall be deemed to have been delivered on the date (i) on which the Borrower posts such documents, or to provide a link thereto on the Borrower's website or (ii) on which such documents are posted on the Borrower's behalf on IntraLinks/IntraAgency or another relevant website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent).

6.3 Payment of Taxes. Pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its material Taxes, governmental assessments and governmental charges (other than Indebtedness), except (a) where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves required in conformity with GAAP with respect thereto have been provided on the books of the Borrower or its Restricted Subsidiaries, as the case may be, or (b) to the extent that failure to pay or satisfy such obligations would not reasonably be expected to have a Material Adverse Effect.

6.4 Conduct of Business and Maintenance of Existence, etc.; Compliance. (a) Preserve, renew and keep in full force and effect its corporate or other existence and take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of its business, except, in each case, as otherwise permitted by Section 7.4 or except to the extent that failure to do so would not reasonably be expected to have a Material Adverse Effect; and (b) comply with all Requirements of Law except to the extent that failure to comply therewith would not reasonably be expected to have a Material Adverse Effect.

6.5 Maintenance of Property; Insurance. (a) Keep all Property useful and necessary in its business in reasonably good working order and condition, ordinary wear and tear excepted, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

(b) Take all reasonable and necessary steps, including, without limitation, in any proceeding before the United States Patent and Trademark Office or the United States Copyright Office, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of the material United States Intellectual Property owned by the Borrower or its Restricted Subsidiaries, including, without limitation, filing of applications for renewal, affidavits of use and affidavits of incontestability, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

(c) Maintain insurance with financially sound and reputable insurance companies on all its material Property in at least such amounts and against at least such risks as are usually insured against in the same general area by companies engaged in the same or a similar business. All such insurance

shall, to the extent customary (but in any event, not including business interruption insurance and personal injury insurance) (i) provide that no cancellation thereof shall be effective until at least 10 days after receipt by the Administrative Agent of written notice thereof and (ii) name the Administrative Agent as insured party or loss payee.

(d) With respect to any Mortgaged Properties, if at any time the area in which the Premises (as defined in the Mortgages, if any) are located is designated a "flood hazard area" in any Flood Insurance Rate Map published by the Federal Emergency Management Agency (or any successor agency), obtain flood insurance in such reasonable total amount as the Collateral Agent may from time to time reasonably require, and otherwise to ensure compliance with the National Flood Insurance Program as set forth in the Flood Disaster Protection Act of 1973, as it may be amended from time to time.

6.6 Inspection of Property; Books and Records; Discussions. (a) Keep proper books of records and account in which full, true and correct entries in conformity with GAAP and all Requirements of Law shall be made of all material financial dealings and transactions in relation to its business and activities, (b) permit representatives of any Lender to visit and inspect any of its properties and examine and make abstracts from any of its books and records upon reasonable notice and at such reasonable times during normal business hours (provided that (i) such visits shall be coordinated by the Administrative Agent, (ii) such visits shall be limited to no more than one such visit per calendar year, and (iii) such visits by any Lender shall be at the Lender's expense, except in the case of clauses (ii) and (iii) during the continuance of an Event of Default), (c) permit representatives of any Lender to have reasonable discussions regarding the business, operations, properties and financial and other condition of the Borrower and its Restricted Subsidiaries with officers and employees of the Borrower and its Restricted Subsidiaries (provided that (i) a Responsible Officer of the Borrower shall be afforded the opportunity to be present during such discussions, (ii) such discussions shall be coordinated by the Administrative Agent, and (iii) such discussions shall be limited to no more than once per calendar quarter except during the continuance of an Event of Default) and (d) permit representatives of the Administrative Agent to have reasonable discussions regarding the business, operations, properties and financial and other condition of the Borrower and its Restricted Subsidiaries with its independent certified public accountants to the extent permitted by the internal policies of such independent certified public accountants (provided that (i) a Responsible Officer of the Borrower shall be afforded the opportunity to be present during such discussions and (ii) such discussions shall be limited to no more than once per calendar year except during the continuance of an Event of Default). Notwithstanding anything to the contrary in this Section 6.6, none of Holdings, the Borrower or any of the Restricted Subsidiaries will be required to disclose, permit the inspection, examination or making copies or abstracts of, or discussion of, any document, information or other matter that (i) constitutes non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors) is prohibited by Law or any binding agreement, (iii) is subject to attorney-client or similar privilege or constitutes attorney work product or (iv) constitutes classified information.

6.7 Notices. Promptly upon a Responsible Officer of the Borrower or any Subsidiary Guarantor obtaining knowledge thereof, give notice to the Administrative Agent of:

(a) the occurrence of any Default or Event of Default;

(b) any litigation, investigation or proceeding which may exist at any time between the Borrower or any of its Restricted Subsidiaries and any other Person, that in either case, would reasonably be expected to have a Material Adverse Effect;

(c) the following events, that would reasonably be expected to have a Material Adverse Effect, as soon as possible and in any event within 30 days after the Borrower or any Subsidiary Guarantor knows thereof: (i) the occurrence of any Reportable Event with respect to any Single Employer Plan, a failure to make any required contribution to a Plan, the creation of any Lien in favor of the PBGC or a Plan on the assets of Holdings, the Borrower or any of its Restricted Subsidiaries or any withdrawal from, or the termination, Reorganization or Insolvency of, any Multiemployer Plan, (ii) the institution of proceedings or the taking of any other action by the PBGC or Holdings or any Commonly Controlled Entity or any Multiemployer Plan with respect to the withdrawal from, or the termination, Reorganization or Insolvency of, any Multiemployer Plan or (iii) the occurrence of any similar events with respect to a Commonly Controlled Plan, that would reasonably be likely to result in a direct obligation of the Borrower or any of its Restricted Subsidiaries to pay money;

(d) any development or event that has had or would reasonably be expected to have a Material Adverse Effect; and

(e) the acquisition of any Property after the Closing Date in which the Collateral Agent does not already have a perfected security interest and in which a security interest is required to be created or perfected pursuant to Section 6.8.

Each notice pursuant to this Section 6.7 shall be accompanied by a statement of a Responsible Officer setting forth details of the occurrence referred to therein and stating what action the Borrower or the relevant Restricted Subsidiary proposes to take with respect thereto.

6.8 Additional Collateral, etc. (a) With respect to any Property (other than Excluded Collateral) located in the United States having a value, individually or in the aggregate, of at least \$2,000,000 acquired after the Closing Date by any Loan Party (other than (w) any interests in Real Property and any Property described in paragraph (c) or paragraph (d) of this Section 6.8, (x) any Property subject to a Lien expressly permitted by Section 7.3(g) or 7.3(z), (y) Instruments, Certificated Securities, Securities and Chattel Paper, which are referred to in the last sentence of this paragraph (a) and (z) Government Contracts, deposit accounts and securities accounts (the Loan Parties' obligations with respect to which are contained in the Guarantee and Collateral Agreement)) as to which the Collateral Agent for the benefit of the Secured Parties does not have a perfected Lien, promptly (i) give notice of such Property to the Collateral Agent and execute and deliver to the Collateral Agent such amendments to the Guarantee and Collateral Agreement or such other documents as the Collateral Agent reasonably requests to grant to the Collateral Agent for the benefit of the Secured Parties a security interest in such Property and (ii) take all actions reasonably requested by the Collateral Agent to grant to the Collateral Agent for the benefit of the Secured Parties a perfected security interest (to the extent required by the Security Documents and with the priority required by Section 4.17) in such Property (with respect to Property of a type owned by a Loan Party as of the Closing Date to the extent the Collateral Agent for the benefit of the Secured Parties, has a perfected security interest in such Property as of the Closing Date), including, without limitation, the filing of Uniform Commercial Code financing statements in such jurisdictions as may be required by the Guarantee and Collateral Agreement or by law or as may be reasonably requested by the Collateral Agent. If any amount in excess of \$5,000,000 payable under or in connection with any of the Collateral shall be or become evidenced by any Instrument, Certificated Security, Security or Chattel Paper (or, if more than \$5,000,000 in the aggregate payable under or in connection with the Collateral shall become evidenced by Instruments, Certificated Securities, Securities or Chattel Paper), such Instrument, Certificated Security, Security or Chattel Paper shall be promptly delivered to the Collateral Agent indorsed in a manner reasonably satisfactory to the Collateral Agent to be held as Collateral pursuant to this Agreement.

(b) With respect to any fee interest in any Material Real Property acquired after the Closing Date by any Loan Party (other than Excluded Real Property), (i) give notice of such acquisition to the Collateral Agent and, if requested by the Collateral Agent execute and deliver a first priority Mortgage (subject to liens permitted by Section 7.3) in favor of the Collateral Agent for the benefit of the Secured Parties, covering such Real Property (provided that no Mortgage nor survey shall be obtained if the Administrative Agent determines in consultation with the Borrower that the costs of obtaining such Mortgage or survey are excessive in relation to the value of the security to be afforded thereby), (ii) if reasonably requested by the Collateral Agent (A) provide the Lenders with a lenders' title insurance policy with extended coverage covering such Real Property in an amount at least equal to the purchase price of such Real Property (or such other amount as shall be reasonably specified by the Collateral Agent) as well as a current ALTA survey thereof, together with a surveyor's certificate unless the title insurance policy referred to above shall not contain an exception for any matter shown by a survey (except to the extent an existing survey has been provided and specifically incorporated into such title insurance policy), each in form and substance reasonably satisfactory to the Collateral Agent, (B) use commercially reasonable efforts to obtain any consents or estoppels reasonably deemed necessary by the Collateral Agent, in connection with such Mortgage, each of the foregoing in form and substance reasonably satisfactory to the Collateral Agent and (C) provide to the Administrative Agent evidence of flood hazard insurance if any portion of the improvements on the owned Property is currently or at any time in the future identified by the Federal Emergency Management Agency as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968 (and any amendment or successor act thereto) or otherwise being designated as a "special flood hazard area or part of a 100 year flood zone", in an amount equal to 100% of the full replacement cost of the improvements; provided, however, that a portion of such flood hazard insurance may be obtained under the National Flood Insurance Act of 1968, the Flood Disaster Protection Act of 1973 or the National Flood Insurance Reform Act of 1994, as each may be amended and (iii) if requested by the Collateral Agent deliver to the Collateral Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Collateral Agent.

(c) Except as otherwise contemplated by Section 7.7(p), with respect to any new Subsidiary that is a Non-Excluded Subsidiary created or acquired after the Closing Date (which, for the purposes of this paragraph, shall include any Subsidiary that was previously an Excluded Subsidiary that becomes a Non-Excluded Subsidiary) by any Loan Party, promptly (i) give notice of such acquisition or creation to the Collateral Agent and, if requested by the Collateral Agent, execute and deliver to the Collateral Agent such amendments to the Guarantee and Collateral Agreement or such other documents as the Collateral Agent reasonably deems necessary to grant to the Collateral Agent for the benefit of the Secured Parties a perfected security interest (to the extent required by the Security Documents and with the priority required by Section 4.17) in the Capital Stock of such new Subsidiary that is owned by such Loan Party, (ii) deliver to the Collateral Agent the certificates, if any, representing such Capital Stock, together with undated stock powers, in blank, executed and delivered by a duly authorized officer of such Loan Party, and (iii) cause such new Subsidiary (A) to become a party to the Guarantee and Collateral Agreement and (B) to take such actions necessary or advisable to grant to the Collateral Agent for the benefit of the Secured Parties a perfected security interest (to the extent required by the Security Documents and with the priority required by Section 4.17) in the Collateral described in the Guarantee and Collateral Agreement with respect to such new Subsidiary (to the extent the Collateral Agent, for the benefit of the Secured Parties, has a perfected security interest in the same type of Collateral as of the Closing Date), including, without limitation, the filing of Uniform Commercial Code financing statements in such jurisdictions as may be required by the Guarantee and Collateral Agreement or by law or as may be reasonably requested by the Collateral Agent. Without limiting the foregoing, if (i) the aggregate Consolidated Total Assets or annual consolidated revenues of all Subsidiaries designated as "Immaterial

Subsidiaries" hereunder shall at any time exceed 7.5% of Consolidated Total Assets or annual consolidated revenues, respectively, of the Borrower and its Restricted Subsidiaries (as reflected on the most recent financial statements delivered pursuant to Section 6.1 prior to such time) or (ii) if any Subsidiary shall at any time cease to constitute an Immaterial Subsidiary under clause (i) of the definition of "Immaterial Subsidiary" (as reflected on the most recent financial statements delivered pursuant to Section 6.1 prior to such time), the Borrower shall promptly, (x) in the case of clause (i) above, rescind the designation as "Immaterial Subsidiaries" of one or more of such Subsidiaries so that, after giving effect thereto, the aggregate Consolidated Total Assets or annual consolidated revenues, as applicable, of all Subsidiaries so designated (and which designations have not been rescinded) shall not exceed 7.5% of Consolidated Total Assets or annual consolidated revenues, respectively, of the Borrower and its Restricted Subsidiaries (as reflected on the most recent financial statements delivered pursuant to Section 6.1 prior to such time), as applicable, and (y) in the case of clauses (i) and (ii) above, to the extent not already effected, (A) cause each affected Subsidiary to take such actions to become a "Subsidiary Guarantor" hereunder and under the Guarantee and Collateral Agreement and execute and deliver the documents and other instruments referred to in this paragraph (c) to the extent such affected Subsidiary is not otherwise an Excluded Subsidiary and (B) cause the owner of the Capital Stock of such affected Subsidiary to take such actions to pledge such Capital Stock to the extent required by, and otherwise in accordance with, the Guarantee and Collateral Agreement and execute and deliver the documents and other instruments required hereby and thereby unless such Capital Stock otherwise constitutes Excluded Capital Stock.

(d) Except as otherwise contemplated by Section 7.7(p), with respect to any new first tier Foreign Subsidiary that is a Non-Excluded Subsidiary created or acquired after the Closing Date by any Loan Party, promptly (i) give notice of such acquisition or creation to the Collateral Agent and, if requested by the Collateral Agent, execute and deliver to the Collateral Agent such amendments to the Guarantee and Collateral Agreement as the Collateral Agent deems necessary or reasonably advisable in order to grant to the Collateral Agent, for the benefit of the Secured Parties, a perfected security interest (to the extent required by the Security Documents and with the priority required by Section 4.17) in the Capital Stock of such new Subsidiary (other than any Excluded Capital Stock) that is owned by such Loan Party and (ii) deliver to the Collateral Agent the certificates, if any, representing such Capital Stock (other than any Excluded Capital Stock), together with undated stock powers, in blank, executed and delivered by a duly authorized officer of such Loan Party, and take such other action as may be necessary or, in the reasonable opinion of the Collateral Agent, desirable to perfect or ensure appropriate priority the Lien of the Collateral Agent thereon.

(e) Notwithstanding anything in this Section 6.8 to the contrary, neither the Borrower nor any of its Restricted Subsidiaries shall be required to take any actions in order to perfect the security interest in the Collateral granted to the Collateral Agent for the ratable benefit of the Secured Parties under the laws of any jurisdiction outside the United States.

(f) Notwithstanding the foregoing, to the extent any new Restricted Subsidiary is created solely for the purpose of consummating a merger transaction pursuant to an acquisition permitted by Section 7.7, and such new Subsidiary at no time holds any assets or liabilities other than any merger consideration contributed to it contemporaneously with the closing of such merger transaction, such new Subsidiary shall not be required to take the actions set forth in Section 6.8(c) or 6.8(d), as applicable, until the respective acquisition is consummated (at which time the surviving entity of the respective merger transaction shall be required to so comply within ten Business Days).

(g) From time to time the Loan Parties shall execute and deliver, or cause to be executed and delivered, such additional instruments, certificates or documents, and take all such actions, as the

Collateral Agent may reasonably request for the purposes implementing or effectuating the provisions of this Agreement and the other Loan Documents, or of renewing the rights of the Secured Parties with respect to the Collateral as to which the Collateral Agent, for the ratable benefit of the Secured Parties, has a perfected Lien pursuant hereto or thereto, including, without limitation, filing any financing or continuation statements or financing change statements under the Uniform Commercial Code (or other similar laws) in effect in any jurisdiction with respect to the security interests created thereby. Notwithstanding the foregoing, the provisions of this Section 6.8 shall not apply to assets as to which the Administrative Agent and the Borrower shall reasonably determine that the costs and burdens of obtaining a security interest therein or perfection thereof outweigh the value of the security afforded thereby.

6.9 Use of Proceeds. The proceeds of the Tranche A Term Loans and Tranche B Term Loans shall be used solely to effect the Merger Transactions, the Refinancing and to pay related fees and expenses. The proceeds of the Revolving Loans, the Swingline Loans and the Letters of Credit shall be used to finance a portion of the Merger Transactions (including purchase price adjustments), to finance the Refinancing, to finance Permitted Acquisitions and Investments permitted hereunder and for other general corporate purposes of the Borrower and its Subsidiaries not prohibited by this Agreement.

6.10 Post-Closing Undertakings. Within the time period specified on Schedule 6.10 (or such later date to which the Administrative Agent consents), comply with the provisions set forth in Schedule 6.10.

#### SECTION 7. NEGATIVE COVENANTS

The Borrower (on behalf of itself and each of the Restricted Subsidiaries) hereby agrees that, so long as the Commitments remain in effect, any Letter of Credit remains outstanding (that has not been cash collateralized or backstopped, in each case on terms agreed to by the Borrower and the applicable Issuing Lender) or any Loan or other amount is owing to any Lender or any Agent hereunder (other than (i) contingent or indemnification obligations not then due and (ii) obligations in respect of Specified Hedge Agreements or Cash Management Obligations), the Borrower shall not, and shall not permit any of the Restricted Subsidiaries to:

7.1 Financial Covenants. (a) Consolidated Total Leverage Ratio. Commencing with the Test Period ending December 31, 2008, permit the Consolidated Total Leverage Ratio as at the last day of any Test Period ending in any period set forth below to be in excess of the ratio set forth below for such period:

Period	Consolidated Total Leverage Ratio
December 31, 2008	6.25:1.00
March 31, 2009	6.25:1.00
June 30, 2009	6.00:1.00
September 30, 2009	5.75:1.00
December 31, 2009	5.50:1.00
March 31, 2010	5.25:1.00
June 30, 2010	5.00:1.00
September 30, 2010	4.75:1.00
December 31, 2010	4.75:1.00
March 31, 2011	4.50:1.00
June 30, 2011	4.25:1.00
September 30, 2011	4.00:1.00
December 31, 2011	3.75:1.00
March 31, 2012 and thereafter	3.50:1.00

(b) Consolidated Net Interest Coverage Ratio. Commencing with the Test Period ending December 31, 2008, permit the Consolidated Net Interest Coverage Ratio as at the last day of any Test Period ending in any period set forth below to be less than the ratio set forth below for such period:

Period	Consolidated Net Interest Coverage Ratio
December 31, 2008	1.60:1.00
March 31, 2009	1.60:1.00
June 30, 2009	1.70:1.00
September 30, 2009	1.75:1.00
December 31, 2009	1.80:1.00
March 31, 2010	1.90:1.00
June 30, 2010	2.00:1.00
September 30, 2010	2.00:1.00
December 31, 2010	2.10:1.00
March 31, 2011	2.10:1.00
June 30, 2011	2.20:1.00
September 30, 2011	2.20:1.00
December 31, 2011	2.30:1.00
March 31, 2012	2.40:1.00
June 30, 2012 and thereafter	2.50:1.00

7.2 Indebtedness. Create, issue, incur, assume, or permit to exist any Indebtedness, except:

(a) Indebtedness of the Borrower and any Restricted Subsidiary pursuant to any Loan Document or Hedge Agreement or in respect of any Cash Management Obligations;

(b) Indebtedness (i) of the Borrower to any of its Restricted Subsidiaries or Holdings or of any Subsidiary Guarantor to Holdings, the Borrower or any Restricted Subsidiary, provided that any such Indebtedness owing to a Restricted Subsidiary that is not a Subsidiary Guarantor is expressly subordinated in right of payment to the Obligations pursuant to the Guarantee and

Collateral Agreement or otherwise and (ii) of any Non-Guarantor Subsidiary to any other Non-Guarantor Subsidiary;

(c) Indebtedness (including, without limitation, Capital Lease Obligations) secured by Liens permitted by Section 7.3(g) in an aggregate principal amount, when combined with the aggregate principal amount of Indebtedness outstanding under clauses (t) and (u) of this Section 7.2, not to exceed \$75,000,000 at any one time outstanding;

(d) (i) Indebtedness outstanding on the date hereof and listed on Schedule 7.2(d) and any Permitted Refinancing thereof and (ii) Indebtedness otherwise permitted under Section 7.10;

(e) Guarantee Obligations (i) by the Borrower or any of its Restricted Subsidiaries of obligations of the Borrower or any Subsidiary Guarantor not prohibited by this Agreement to be incurred and (ii) by any Non-Guarantor Subsidiary of obligations of any other Non-Guarantor Subsidiary;

(f) Indebtedness of the Borrower or any of its Restricted Subsidiaries arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn by the Borrower or such Restricted Subsidiary in the ordinary course of business against insufficient funds, so long as such Indebtedness is promptly repaid;

(g) (A) Indebtedness of any joint venture or Non-Guarantor Subsidiary owing to any Loan Party and (B) Guarantee Obligations of the Borrower or any Subsidiary Guarantor of Indebtedness of any joint venture or Non-Guarantor Subsidiary, to the extent such Indebtedness and Guarantee Obligations are permitted as Investments by Section 7.7(h), (k), (m) or (v);

(h) Indebtedness in the form of earn-outs, indemnification, incentive, non-compete, consulting or other similar arrangements and other contingent obligations in respect of acquisitions or Investments permitted by Section 7.7 (both before or after any liability associated therewith becomes fixed);

(i) (i) Indebtedness of the Borrower in respect of the Mezzanine Loan Agreement in an aggregate principal amount not to exceed \$550,000,000, plus any accrued pay-in-kind interest, capitalized interest, accrued interest, fees, discounts, premiums and expenses, in each case, in respect thereof, (ii) Guarantee Obligations of any Subsidiary Guarantor in respect of such Indebtedness, interest, fees, discounts, premiums and expenses; provided that, in each case, in the case of any guarantee of Indebtedness in respect of the Mezzanine Loan Agreement by any Restricted Subsidiary that is not a Subsidiary Guarantor, such Restricted Subsidiary becomes a Subsidiary Guarantor under this Agreement at or prior to the time of such guarantee, and (iii) any Permitted Refinancing thereof;

(j) additional Indebtedness of the Borrower or any of its Restricted Subsidiaries in an aggregate principal amount (for the Borrower and all Restricted Subsidiaries), not to exceed \$75,000,000 at any time outstanding;

(k) Indebtedness of Non-Guarantor Subsidiaries in respect of local lines of credit, letters of credit, bank guarantees, factoring arrangements, sale/leaseback transactions and similar extensions of credit in the ordinary course of business, in an aggregate principal amount, when combined with the aggregate principal amount of Indebtedness outstanding under clause (s)(iii) of this Section 7.2, not to exceed \$35,000,000 at any one time outstanding;



(l) Indebtedness of the Borrower or any of its Restricted Subsidiaries in respect of workers' compensation claims, bank guarantees, warehouse receipts or similar facilities, property casualty or liability insurance, take-or-pay obligations in supply arrangements, self-insurance obligations, performance, bid, customs, government, appeal and surety bonds, completion guaranties and other obligations of a similar nature, in each case in the ordinary course of business;

(m) Indebtedness incurred by the Borrower or any of its Restricted Subsidiaries arising from agreements providing for indemnification related to sales of goods or adjustment of purchase price or similar obligations in any case incurred in connection with the acquisition or Disposition of any business, assets or Subsidiary;

(n) Indebtedness supported by a Letter of Credit, in a principal amount not in excess of the stated amount of such Letter of Credit;

(o) Indebtedness issued in lieu of cash payments of Restricted Payments permitted by Section 7.6; provided that such Indebtedness is subordinated to the Obligations on terms reasonably satisfactory to the Administrative Agent;

(p) Permitted Subordinated Indebtedness in an aggregate principal amount not to exceed \$50,000,000 at any one time outstanding and any guarantees incurred in respect thereof;

(q) Indebtedness of the Borrower or any Subsidiary Guarantor as an account party in respect of trade letters of credit issued in the ordinary course of business;

(r) Indebtedness owing to any insurance company in connection with the financing of any insurance premiums permitted by such insurance company in the ordinary course of business;

(s) (i) Guarantee Obligations made in the ordinary course of business; provided that such Guarantees are not of Indebtedness for Borrowed Money, (ii) Guarantee Obligations in respect of lease obligations of Booz & Company Inc. and its Affiliates and (iii) Guarantee Obligations in respect of Indebtedness of joint ventures; provided that the aggregate principal amount of any such Guarantee Obligations under this sub-clause (iii), when combined with the aggregate principal amount of Indebtedness outstanding under clause (k) of this Section 7.2, shall not exceed \$35,000,000 at any time outstanding;

(t) Indebtedness of any Person that becomes a Restricted Subsidiary or is merged into the Borrower or a Restricted Subsidiary after the Closing Date as part of an acquisition, merger or consolidation or amalgamation or other Investment not prohibited hereunder (a "New Subsidiary"), which Indebtedness exists at the time of such acquisition, merger or consolidation or amalgamation or other Investment, and any Permitted Refinancing thereof; provided that (A) such Indebtedness exists at the time such Person becomes a Restricted Subsidiary or is merged into the Borrower or a Restricted Subsidiary and is not created in contemplation of or in connection with such Person becoming a Restricted Subsidiary or with such merger (except to the extent such Indebtedness refinanced other Indebtedness to facilitate such Person becoming a Restricted Subsidiary), (B) the aggregate principal amount of Indebtedness permitted by this clause (t) and Sections 7.2(c) and 7.2(u) shall not at any one time outstanding exceed \$75,000,000 and (C) neither the Borrower nor any Restricted Subsidiary (other than the applicable New Subsidiary) shall provide security therefor;

(u) Indebtedness incurred to finance any acquisition or other Investment permitted under Section 7.7 in an aggregate amount for all such Indebtedness together with the aggregate principal amount of Indebtedness permitted by Sections 7.2(c) and 7.2(t) not to exceed \$75,000,000 at any one time outstanding;

(v) other unsecured Indebtedness so long as, at the time of incurrence thereof, (i) after giving effect to the incurrence of such unsecured Indebtedness (as if such unsecured Indebtedness had been incurred on the first day of the most recently completed period of four consecutive fiscal quarters of the Borrower ending on or prior to such date), the Consolidated Total Leverage Ratio would be less than or equal to 4.25 to 1.00, (ii) no Default or Event of Default shall have occurred and be continuing at the time of incurrence of such unsecured Indebtedness or would result therefrom; and (iii) the terms of such unsecured Indebtedness do not provide for any scheduled repayment, mandatory redemption or sinking fund obligation prior to the date at least 180 days following the Term Maturity Date (or such later date that is the latest final maturity date of any incremental extension of credit hereunder);

(w) (i) Indebtedness representing deferred compensation or stock-based compensation to employees of the Borrower or any Restricted Subsidiary incurred in the ordinary course of business and (ii) Indebtedness consisting of obligations of the Borrower or any Restricted Subsidiary under deferred compensation or other similar arrangements incurred in connection with the Merger Transactions and any Investment permitted hereunder;

(x) Indebtedness issued by the Borrower or any Restricted Subsidiary to the officers, directors and employees of Holdings, any Parent Company, the Borrower or any Restricted Subsidiary, in lieu of or combined with cash payments to finance the purchase of Capital Stock of Holdings, any Parent Company or the Borrower, in each case, to the extent such purchase is permitted by Section 7.6(e);

(y) Indebtedness in respect of overdraft facilities, employee credit card programs, netting services, automatic clearinghouse arrangements and other cash management and similar arrangements in the ordinary course of business;

(z) (i) Indebtedness of the Borrower or any of its Restricted Subsidiaries undertaken in connection with cash management and related activities with respect to any Subsidiary or joint venture in the ordinary course of business and (ii) Indebtedness of the Borrower or any Restricted Subsidiary to any joint venture (regardless of the form of legal entity) that is not a Subsidiary arising in the ordinary course of business in connection with the cash management operations (including in respect of intercompany self-insurance arrangements) of the Borrower and its Restricted Subsidiaries;

(aa) all premium (if any), interest (including post-petition interest), fees, expenses, charges, accretion or amortization of original issue discount, accretion of interest paid in kind and additional or contingent interest on obligations described in clauses (a) through (z) above.

For purposes of determining compliance with this Section 7.2, in the event that an item of Indebtedness meets the criteria of more than one of the categories of Indebtedness described in clauses (c), (j), (k), (p), (s)(iii), (t), (u) or (v) above, the Borrower shall, in its sole discretion, classify and reclassify or later divide, classify or reclassify such item of Indebtedness (or any portion thereof) and may include the amount and type of such Indebtedness in one or more of the

above clauses; provided, that, for the avoidance of doubt, Indebtedness reclassified under Section 7.2(v) must be unsecured.

7.3 Liens. Create, incur, assume or suffer to exist any Lien upon any of its Property, whether now owned or hereafter acquired, except for:

(a) Liens for taxes not yet due or which are being contested in good faith by appropriate proceedings; provided that adequate reserves with respect thereto are maintained on the books of the Borrower or its Restricted Subsidiaries, as the case may be, to the extent required by GAAP;

(b) landlords', carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business which are not overdue for a period of more than 60 days or that are being contested in good faith by appropriate proceedings;

(c) pledges, deposits or statutory trusts in connection with workers' compensation, unemployment insurance and other social security legislation;

(d) deposits and other Liens to secure the performance of bids, government, trade and other similar contracts (other than for borrowed money), leases, subleases, statutory obligations, surety, judgment and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(e) encumbrances shown as exceptions in the title insurance policies insuring the Mortgages, easements, zoning restrictions, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business that, in the aggregate, do not materially detract from the value of the Property subject thereto or materially interfere with the ordinary conduct of the business of the Borrower or any of its Restricted Subsidiaries;

(f) Liens (i) in existence on the date hereof listed on Schedule 7.3(f) (or to the extent not listed on such Schedule 7.3(f), where the fair market value of the Property to which such Lien is attached is less than \$5,000,000), (ii) securing Indebtedness permitted by Section 7.2(d) and (iii) created after the date hereof in connection with any refinancing, refundings, or renewals or extensions thereof permitted by Section 7.2(d); provided that no such Lien is spread to cover any additional Property of the Borrower or any Restricted Subsidiary after the Closing Date and that the amount of Indebtedness secured thereby is not increased;

(g) (i) Liens securing Indebtedness of the Borrower or any Restricted Subsidiary incurred pursuant to Sections 7.2(c), 7.2(g), 7.2(j), 7.2(k), 7.2(r), 7.2(s), 7.2(t), 7.2(u) and 7.2(w); provided that (A) in the case of any such Liens securing Indebtedness incurred pursuant to Section 7.2(u) to the extent incurred to finance Acquisitions or Investments permitted under Section 7.7, (x) such Liens shall be created substantially concurrently with, or within 90 days after, the acquisition of the assets financed by such Indebtedness and (y) such Liens do not at any time encumber any Property of the Borrower or any Restricted Subsidiary other than the Property financed by such Indebtedness and the proceeds thereof, (B) in the case of any such Liens securing Indebtedness pursuant to Sections 7.2(g) or 7.2(k), such Liens do not at any time encumber any Property of the Borrower or any Subsidiary Guarantor, (C) in the case of any such Liens securing Indebtedness incurred pursuant to Section 7.2(s), such Liens do not encumber any Property other than cash paid to any such insurance company in respect of such insurance and (D) in the case of any such Liens securing Indebtedness pursuant to Section 7.2(t), such Liens exist at the time that the relevant Person becomes a Restricted Subsidiary and are not created in

contemplation of or in connection with such Person becoming a Restricted Subsidiary and (ii) any extension, refinancing, renewal or replacement of the Liens described in clause (i) of this Section 7.2(g) in whole or in part; provided that such extension, renewal or replacement shall be limited to all or a part of the property which secured the Lien so extended, renewed or replaced (plus improvements on such property, if any);

(h) Liens created pursuant to the Security Documents;

(i) Liens arising from judgments in circumstances not constituting an Event of Default under Section 8.1(h);

(j) Liens on Property or assets acquired pursuant to an acquisition permitted under Section 7.7 (and the proceeds thereof) or assets of a Restricted Subsidiary in existence at the time such Restricted Subsidiary is acquired pursuant to an acquisition permitted under Section 7.7 and not created in contemplation thereof and Liens created after the Closing Date in connection with any refinancing, refundings, or renewals or extensions of the obligations secured thereby permitted hereunder, provided that no such Lien is spread to cover any additional Property after the Closing Date and that the amount of Indebtedness secured thereby is not increased;

(k) (i) Liens on Property of Non-Guarantor Subsidiaries securing Indebtedness or other obligations not prohibited by this Agreement to be incurred by such Non-Guarantor Subsidiaries and (ii) Liens securing Indebtedness or other obligations of the Borrower or any Subsidiary in favor of any Loan Party;

(l) receipt of progress payments and advances from customers in the ordinary course of business to the extent same creates a Lien on the related inventory and proceeds thereof;

(m) Liens in favor of customs and revenue authorities arising as a matter of law to secure the payment of customs duties in connection with the importation of goods;

(n) Liens arising out of consignment or similar arrangements for the sale by the Borrower and its Restricted Subsidiaries of goods through third parties in the ordinary course of business;

(o) Liens solely on any cash earnest money deposits made by the Borrower or any of its Restricted Subsidiaries in connection with an Investment permitted by Section 7.7;

(p) Liens deemed to exist in connection with Investments permitted by Section 7.7(b) that constitute repurchase obligations;

(q) Liens upon specific items of inventory or other goods and proceeds of the Borrower or any of its Restricted Subsidiaries arising in the ordinary course of business securing such Person's obligations in respect of bankers' acceptances and letters of credit issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(r) Liens on cash deposits securing any Hedge Agreement permitted hereunder;

(s) any interest or title of a lessor under any leases or subleases entered into by the Borrower or any Restricted Subsidiary in the ordinary course of business and any financing statement filed in connection with any such lease;

(t) Liens on cash or cash equivalents used to defease or to satisfy and discharge Indebtedness, provided that such defeasance or satisfaction and discharge is not prohibited hereunder;

(u) (i) Liens that are contractual rights of set-off (A) relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness, (B) relating to pooled deposit or sweep accounts of the Borrower or any Restricted Subsidiary to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Borrower and the Subsidiaries, (C) relating to purchase orders and other agreements entered into with customers of the Borrower or any Restricted Subsidiary in the ordinary course of business or (D) relating to the Mezzanine Loan Documents and (ii) other Liens securing cash management obligations (that do not constitute Indebtedness) in the ordinary course of business;

(v) Liens arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of set-off or similar rights;

(w) Liens on Capital Stock in joint ventures securing obligations of such joint venture;

(x) Liens on securities that are the subject of repurchase agreements constituting Cash Equivalents or Permitted Liquid Investments;

(y) Liens securing obligations in respect of trade-related letters of credit permitted under Section 7.2 and covering the goods (or the documents of title in respect of such goods) financed by such letters of credit and the proceeds and products thereof;

(z) other Liens with respect to obligations that do not exceed \$35,000,000 at any one time outstanding.

7.4 Fundamental Changes. Consummate any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or Dispose of all or substantially all of its Property or business, except that:

(a) (i) any Restricted Subsidiary may be merged, amalgamated or consolidated with or into the Borrower (provided that the Borrower shall be the continuing or surviving corporation) or (ii) any Restricted Subsidiary may be merged, amalgamated or consolidated with or into any Subsidiary Guarantor (provided that (x) a Subsidiary Guarantor shall be the continuing or surviving corporation or (y) simultaneously with such transaction, the continuing or surviving corporation shall become a Subsidiary Guarantor and the Borrower shall comply with Section 6.8 in connection therewith);

(b) any Non-Guarantor Subsidiary may be merged or consolidated with or into, or be liquidated into, any other Non-Guarantor Subsidiary that is a Restricted Subsidiary;

(c) any Restricted Subsidiary may Dispose of all or substantially all of its assets upon voluntary liquidation or otherwise to the Borrower or any Subsidiary Guarantor;

(d) any Non-Guarantor Subsidiary may Dispose of all or substantially all of its assets (upon voluntary liquidation, dissolution, winding-up or otherwise) to any other Non-Guarantor Subsidiary that is a Restricted Subsidiary;

(e) Dispositions permitted by Section 7.5 and any merger, dissolution, liquidation, consolidation, investment or Disposition, the purpose of which is to effect a Disposition permitted by Section 7.5 may be consummated;

(f) any Investment expressly permitted by Section 7.7 may be structured as a merger, consolidation or amalgamation;

(g) the transactions contemplated under the Transaction Documents; and

(h) any Restricted Subsidiary may liquidate or dissolve if (i) the Borrower determines in good faith that such liquidation or dissolution is in the best interest of the Borrower and is not materially disadvantageous to the Lenders and (ii) to the extent such Restricted Subsidiary is a Loan Party, any assets or business of such Restricted Subsidiary not otherwise disposed of or transferred in accordance with Section 7.4 or 7.5 or, in the case of any such business, discontinued, shall be transferred to, or otherwise owned or conducted by, a Loan Party after giving effect to such liquidation or dissolution.

7.5 Dispositions of Property. Dispose of any of its owned Property (including, without limitation, receivables) whether now owned or hereafter acquired, or, in the case of any Restricted Subsidiary, issue or sell any shares of such Restricted Subsidiary's Capital Stock to any Person, except:

(a) (i) the Disposition of surplus, obsolete or worn out Property in the ordinary course of business, (ii) the sale of defaulted receivables in the ordinary course of business, (iii) abandonment, cancellation or disposition of any Intellectual Property in the ordinary course of business and (iv) sales, leases or other dispositions of inventory determined by the management of the Borrower to be no longer useful or necessary in the operation of the Business;

(b) (i) the sale of inventory or other property in the ordinary course of business, (ii) the cross-licensing or licensing of Intellectual Property, in the ordinary course of business and (iii) the contemporaneous exchange, in the ordinary course of business, of Property for Property of a like kind, to the extent that the Property received in such exchange is of a value equivalent to the value of the Property exchanged (provided that after giving effect to such exchange, the value of the Property of the Borrower or any Subsidiary Guarantor subject to Liens in favor of the Collateral Agent under the Security Documents is not materially reduced);

(c) Dispositions permitted by Section 7.4;

(d) the sale or issuance of (i) any Subsidiary's Capital Stock to the Borrower or any Subsidiary Guarantor; provided that the sale or issuance of Capital Stock of an Unrestricted Subsidiary to the Borrower or any Restricted Subsidiary is otherwise permitted by Section 7.7, (ii) the Capital Stock of any Non-Guarantor Subsidiary that is a Restricted Subsidiary to any other Non-Guarantor Subsidiary that is a Restricted Subsidiary and (iii) the Capital Stock of any Subsidiary that is an Unrestricted Subsidiary to any other Subsidiary that is an Unrestricted Subsidiary, in each case, including, without limitation, in connection with any tax restructuring activities not otherwise prohibited hereunder;

(e) the Disposition of other assets for fair market value not to exceed \$200,000,000 in the aggregate; provided that (i) at least 75% of the total consideration for any such Disposition received by the Borrower and its Restricted Subsidiaries is in the form of cash, Cash Equivalents

or Permitted Liquid Investments and (ii) the requirements of Section 2.12(b), to the extent applicable, are complied with in connection therewith;

(f) (i) any Recovery Event; provided that the requirements of Section 2.12(b) are complied with in connection therewith and (ii) any event that would constitute a Recovery Event but for the Dollar threshold set forth in the definition thereof;

(g) the leasing, occupancy agreements or sub-leasing of Property pursuant to the Merger Documents or that would not materially interfere with the required use of such Property by the Borrower or its Restricted Subsidiaries;

(h) the transfer for fair value of Property (including Capital Stock of Subsidiaries) to another Person in connection with a joint venture arrangement with respect to the transferred Property; provided that such transfer is permitted under Section 7.7(h) or (v);

(i) the sale or discount, in each case without recourse and in the ordinary course of business, of overdue accounts receivable arising in the ordinary course of business, but only in connection with the compromise or collection thereof consistent with customary industry practice (and not as part of any bulk sale or financing of receivables);

(j) transfers of condemned Property as a result of the exercise of "eminent domain" or other similar policies to the respective Governmental Authority or agency that has condemned the same (whether by deed in lieu of condemnation or otherwise), and transfers of properties that have been subject to a casualty to the respective insurer of such Property as part of an insurance settlement;

(k) the Disposition of any Immaterial Subsidiary or any Unrestricted Subsidiary;

(l) the transfer of Property (including Capital Stock of Subsidiaries) of the Borrower or any Guarantor to any Restricted Subsidiary for fair market value;

(m) the transfer of Property (i) by the Borrower or any Subsidiary Guarantor to the Borrower or any other Subsidiary Guarantor or (ii) from a Non-Guarantor Subsidiary to (A) the Borrower or any Subsidiary Guarantor for no more than fair market value or (B) any other Non-Guarantor Subsidiary that is a Restricted Subsidiary;

(n) the sale of cash, Cash Equivalents or Permitted Liquid Investments in the ordinary course of business;

(o) (i) Liens permitted by Section 7.3, (ii) Restricted Payments permitted by Section 7.6, (iii) Investments permitted by Section 7.7, (iv) payments permitted by Section 7.8 and (v) sale and leaseback transactions permitted by Section 7.10;

(p) Dispositions of Investments in joint ventures to the extent required by, or made pursuant to customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding arrangements; provided that the requirements of Section 2.12(b), to the extent applicable, are complied with in connection therewith; and

(q) Dispositions of Property between or among the Borrower and/or its Restricted Subsidiaries as a substantially concurrent interim Disposition in connection with a Disposition otherwise permitted pursuant to clauses (a) through (p) above.

7.6 Restricted Payments. Declare or pay any dividend on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any Capital Stock of the Borrower or any Subsidiary, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or Property or in obligations of the Borrower or any Restricted Subsidiary, or enter into any derivatives or other transaction with any financial institution, commodities or stock exchange or clearinghouse (a "Derivatives Counterparty") obligating the Borrower or any Restricted Subsidiary to make payments to such Derivatives Counterparty as a result of any change in market value of any such Capital Stock (collectively, "Restricted Payments"), except that:

(a) (i) any Restricted Subsidiary may make Restricted Payments to the Borrower or any Subsidiary Guarantor and (ii) Non-Guarantor Subsidiaries may make Restricted Payments to other Non-Guarantor Subsidiaries;

(b) provided that (x) no Default or Event of Default is continuing or would result therefrom and (y) the Consolidated Total Leverage Ratio for the most recently ended period of four consecutive fiscal quarters of the Borrower shall not exceed 4.50 to 1.00 for such period immediately before and immediately after giving effect to such Restricted Payment, the Borrower may make Restricted Payments in an aggregate amount not to exceed the Available Amount; provided no Restricted Payments under this clause (b) may be made for the purpose of making a dividend or other distribution in respect of, or repurchasing or redeeming, Capital Stock held by the Sponsor or any of its Affiliates (other than Holdings or any Parent Company) in Holdings or any Parent Company; it being understood that such Restricted Payments may be used for such purposes with respect to Capital Stock held by any other Person in Holdings or any Parent Company;

(c) the Borrower may make Restricted Payments to Holdings or any Parent Company to permit Holdings or any Parent Company to pay (i) any taxes which are due and payable by Holdings or any Parent Company, the Borrower and the Restricted Subsidiaries as part of a consolidated group (or shareholders of Holdings, to the extent such taxes are attributable to Holdings, the Borrower and the Restricted Subsidiaries), (ii) customary fees, salary, bonus, severance and other benefits payable to, and indemnities provided on behalf of, their current and former officers and employees and members of their Board of Directors, (iii) ordinary course corporate operating expenses and other fees and expenses required to maintain its corporate existence, (iv) fees and expenses to the extent permitted under clause (i) of the second sentence of Section 7.9, (v) reasonable fees and expenses incurred in connection with any debt or equity offering by Holdings or any Parent Company, to the extent the proceeds thereof are (or, in the case of an unsuccessful offering, were intended to be) used for the benefit of the Borrower and the Restricted Subsidiaries, whether or not completed, (vi) reasonable fees and expenses in connection with compliance with reporting obligations under, or in connection with compliance with, federal or state laws or under this Agreement or any other Loan Document and the Mezzanine Agreement and any other Mezzanine Loan Document and (vii) amounts due in respect of the Deferred Obligation Amount under the Merger Agreement with the Net Cash Proceeds of any Equity Issuance by, or capital contribution to, the Borrower;



(d) the Borrower may make Restricted Payments in the form of Capital Stock of the Borrower;

(e) the Borrower or any Subsidiary may make Restricted Payments to, directly or indirectly, purchase the Capital Stock of the Borrower, Holdings or any Parent Company from present or former officers, directors, consultants, agents or employees (or their estates, trusts, family members or former spouses) of Holdings, the Borrower, any Parent Company or any Subsidiary upon the death, disability, retirement or termination of the applicable officer, director, consultant, agent or employee or pursuant to any equity subscription agreement, stock option or equity incentive award agreement, shareholders' or members' agreement or similar agreement, plan or arrangement; provided that the aggregate amount of payments under this clause (e) in any fiscal year of the Borrower shall not exceed the sum of (i) \$20,000,000 in any fiscal year (but not exceeding \$50,000,000 in the aggregate since the Closing Date), plus (ii) any proceeds received from key man life insurance policies, plus (iii) any proceeds received by the Borrower, Holdings or any Parent Company during such fiscal year from sales of the Capital Stock of Holdings, the Borrower or any Parent Company to directors, consultants, officers or employees of Holdings, such Parent Company, the Borrower or any Subsidiary in connection with permitted employee compensation and incentive arrangements, plus (iv) the amount of any bona fide cash bonuses otherwise payable to members of management, directors or consultants of Holdings, any Parent Company, the Borrower or its Restricted Subsidiaries in connection with the Transactions that are foregone in return for the receipt of Capital Stock the fair market value of which is equal to or less than the amount of such cash bonuses; provided that any Restricted Payments permitted (but not made) pursuant to sub-clause (ii), (iii) or (iv) of this clause (e) in any prior fiscal year may be carried forward to any subsequent calendar year, and provided, further, that cancellation of Indebtedness owing to the Borrower or any Restricted Subsidiary by any member of management of Holdings, any Parent Company, the Borrower or its Restricted Subsidiaries in connection with a repurchase of the Capital Stock of Holdings or any Parent Company will not be deemed to constitute a Restricted Payment for purposes of this Section 7.6;

(f) noncash repurchases of Capital Stock deemed to occur upon exercise of stock options or similar equity incentive awards if such Capital Stock represents a portion of the exercise price of such options or similar equity incentive awards;

(g) the Borrower and its Restricted Subsidiaries may make Restricted Payments to consummate the Transactions (including any Restricted Payments contemplated by the Merger Agreement);

(h) the Borrower may make Restricted Payments to allow Holdings or any Parent Company to make payments in cash, in lieu of the issuance of fractional shares, upon the exercise of warrants or upon the conversion or exchange of Capital Stock of any such Person;

(i) so long as no Event of Default under Section 8.1(a) or 8.1(f) has occurred and is continuing, the Borrower and its Restricted Subsidiaries may make Restricted Payments to make payments provided for in the Management Agreement;

(j) to the extent constituting Restricted Payments, the Borrower and its Restricted Subsidiaries may enter into and consummate transactions expressly permitted by any provision of Sections 7.4, 7.5, 7.7 and 7.9;

(k) any non-wholly owned Restricted Subsidiary of the Borrower may declare and pay cash dividends to its equity holders generally so long as the Borrower or its respective Subsidiary which owns the equity interests in the Restricted Subsidiary paying such dividend receives at least its proportional share thereof (based upon its relative holding of the equity interests in the Restricted Subsidiary paying such dividends and taking into account the relative preferences, if any, of the various classes of equity interest of such Restricted Subsidiary);

(l) the Borrower may make Restricted Payments using any amounts placed in escrow in connection with the Transactions;

(m) provided that (i) no Default or Event of Default is continuing or would result therefrom and (ii) the Consolidated Total Leverage Ratio for the most recently ended period of four consecutive fiscal quarters of the Borrower shall not exceed 2.00 to 1.00 for such period immediately before and immediately after giving effect to such Restricted Payment, at any time following the sixth anniversary of the Closing Date, the Borrower and its Restricted Subsidiaries may make Restricted Payments to redeem or purchase the Capital Stock of the Borrower, Holdings or any Parent Company in an amount not to exceed 10% of the Borrower's Consolidated EBITDA in any fiscal year; provided no Restricted Payments under this clause (m) may be made for the purpose of making a dividend or other distribution in respect of, or repurchasing or redeeming, Capital Stock held by the Sponsor or any of its Affiliates (other than Holdings or any Parent Company) in Holdings or any Parent Company; it being understood that such Restricted Payments may be used for such purposes with respect to Capital Stock held by any other Person in Holdings or any Parent Company;

(n) provided that no Default or Event of Default is continuing or would result therefrom, after a Holdings IPO, the Borrower may make Restricted Payments to Holdings or any Parent Company so that Holdings or any Parent Company may make Restricted Payments to its equity holders in an aggregate amount not exceeding 6.0% per annum of the Net Cash Proceeds received by the Borrower from such Holdings IPO; provided that the Available Amount shall be reduced by a corresponding amount of any such Restricted Payments; and

(o) provided that no Default or Event of Default is continuing or would result therefrom, other Restricted Payments in an amount not to exceed \$30,000,000; provided that no Restricted Payments under this clause (o) may be made for the purpose of making a dividend or other distribution in respect of, or repurchasing or redeeming, Capital Stock held by the Sponsor or any of its Affiliates (other than Holdings or any Parent Company) in Holdings or any Parent Company; it being understood that such Restricted Payments may be used for such purposes with respect to Capital Stock held by any other Person in Holdings or any Parent Company.

7.7 Investments. Make any advance, loan, extension of credit (by way of guaranty or otherwise) or capital contribution to, or purchase any Capital Stock, bonds, notes, debentures or other debt securities of, or all or substantially all of the assets constituting an ongoing business from, or make any other similar investment in, any other Person (all of the foregoing, "Investments"), except:

(a) (i) extensions of trade credit in the ordinary course of business and (ii) purchases and acquisitions of inventory, supplies, materials and equipment or purchases of contract rights or licenses or leases of Intellectual Property in each case in the ordinary course of business, to the extent such purchases and acquisitions constitute Investments;

(b) Investments in Cash Equivalents and Investments that were Cash Equivalents when made;

(c) Investments arising in connection with (i) the incurrence of Indebtedness permitted by Sections 7.2 to the extent arising as a result of Indebtedness among Holdings, the Borrower or any Restricted Subsidiary and Guarantee Obligations permitted by Section 7.2 and payments made in respect of such Guarantee Obligations, (ii) the forgiveness or conversion to equity of any Indebtedness permitted by Section 7.2 and (iii) Guarantees by any Borrower or any Restricted Subsidiary of operating leases (other than Capital Lease Obligations) or of other obligations that do not constitute Indebtedness, in each case entered into in the ordinary course of business;

(d) loans and advances to employees, consultants or directors of Holdings, the Borrower or any of its Restricted Subsidiaries in the ordinary course of business in an aggregate amount (for Holdings, the Borrower and all Restricted Subsidiaries) not to exceed \$5,000,000 (excluding (for purposes of such cap) tuition advances, travel and entertainment expenses, but including relocation expenses) at any one time outstanding;

(e) Investments (other than those relating to the incurrence of Indebtedness permitted by Section 7.7(c)) by the Borrower or any of its Restricted Subsidiaries in the Borrower or any Person that, prior to such Investment, is a Subsidiary Guarantor or is a Domestic Subsidiary that becomes a Subsidiary Guarantor at the time of such Investment;

(f) (i) Permitted Acquisitions to the extent that any Person or Property acquired in such acquisition becomes a Subsidiary Guarantor or a part of the Borrower or any Subsidiary Guarantor or becomes (whether or not such Person is a wholly owned Subsidiary) a Subsidiary Guarantor in the manner contemplated by Section 6.8(c) and (ii) other Permitted Acquisitions in an aggregate purchase price in the case of this clause (ii) (other than purchase price paid through the issuance of equity by Holdings or any Parent Company with the proceeds thereof, including (A) (x) whether or not any equity is issued, capital contributions (other than relating to Disqualified Capital Stock) and (y) equity issued to the seller) in an aggregate amount not to exceed \$75,000,000 plus (B) an amount equal to the Available Amount; provided that after giving effect to any such Permitted Acquisition the Borrower shall be in pro forma compliance with the financial covenants set forth in Section 7.1;

(g) loans by the Borrower or any of its Restricted Subsidiaries to the employees, officers or directors of Holdings, the Borrower or any of its Restricted Subsidiaries in connection with management incentive plans; provided that such loans represent cashless transactions pursuant to which such employees, officers or directors directly invest the proceeds of such loans in the Capital Stock of Holdings;

(h) Investments by the Borrower and its Restricted Subsidiaries in joint ventures or similar arrangements and Non-Guarantor Subsidiaries in an aggregate amount at any one time outstanding (for the Borrower and all Restricted Subsidiaries), not to exceed the sum of (A) \$50,000,000 plus (B) an amount equal to the Available Amount; provided, that any Investment made for the purpose of funding a Permitted Acquisition permitted under Section 7.7(f) shall not be deemed a separate Investment for the purposes of this clause (h); provided, further, that no Investment may be made pursuant to this clause (h) in any Unrestricted Subsidiary for the purpose of making a Restricted Payment prohibited pursuant to Section 7.6;

- (i) Investments (including debt obligations) received in the ordinary course of business by the Borrower or any Restricted Subsidiary in connection with the bankruptcy or reorganization of suppliers, customers and other Persons and in settlement of delinquent obligations of, and other disputes with, suppliers, customers and other Persons arising out of the ordinary course of business;
- (j) Investments by any Non-Guarantor Subsidiary in any other Non-Guarantor Subsidiary;
- (k) Investments in existence on, or pursuant to legally binding written commitments in existence on, the Closing Date and listed on Schedule 7.7 and, in each case, any extensions or renewals thereof, so long as the amount of any Investment made pursuant to this clause (k) is not increased at any time above the amount of such Investment set forth on Schedule 7.7;
- (l) Investments of the Borrower or any Restricted Subsidiary under Hedge Agreements permitted hereunder;
- (m) Investments of any Person in existence at the time such Person becomes a Restricted Subsidiary; provided that such Investment was not made in connection with or in anticipation of such Person becoming a Restricted Subsidiary;
- (n) Investments arising as a result of payments permitted by Section 7.8(a);
- (o) consummation of the Merger Transactions pursuant to the Merger Documents and the Company Reorganization;
- (p) Subsidiaries of the Borrower may be established or created, if (i) to the extent such new Subsidiary is a Domestic Subsidiary, the Borrower and such Subsidiary comply with the provisions of Section 6.8(c) and (ii) to the extent such new Subsidiary is a Foreign Subsidiary, the Borrower complies with the provisions of Section 6.8(d); provided that, in each case, to the extent such new Subsidiary is created solely for the purpose of consummating a merger transaction pursuant to an acquisition permitted by this Section 7.7, and such new Subsidiary at no time holds any assets or liabilities other than any merger consideration contributed to it contemporaneously with the closing of such merger transactions, such new Subsidiary shall not be required to take the actions set forth in Section 6.8(c) or 6.8(d), as applicable, until the respective acquisition is consummated (at which time the surviving entity of the respective merger transaction shall be required to so comply within ten Business Days or such longer period as the Administrative Agent shall agree);
- (q) Investments arising directly out of the receipt by the Borrower or any Restricted Subsidiary of non-cash consideration for any sale of assets permitted under Section 7.5; provided that such non-cash consideration shall in no event exceed 25% of the total consideration received for such sale;
- (r) Investments resulting from pledges and deposits referred to in Sections 7.3(c) and (d);
- (s) Investments consisting of the licensing or contribution of Intellectual Property pursuant to joint marketing arrangements with other persons;

- (t) any Investment in a Foreign Subsidiary to the extent such Investment is substantially contemporaneously repaid in full with a dividend or other distribution from such Foreign Subsidiary;
- (u) Investments in the ordinary course of business consisting of UCC Article 3 endorsements for collection or deposit and UCC Article 4 customary trade arrangements with customers consistent with past practices;
- (v) additional Investments so long as the aggregate amount thereof outstanding at no time exceeds the sum of (i) \$25,000,000 plus (ii) an amount equal to the Available Amount; provided that no Investment may be made pursuant to this clause (v) in any Unrestricted Subsidiary for the purpose of making a Restricted Payment prohibited pursuant to Section 7.6;
- (w) advances of payroll payments to employees, or fee payments to directors or consultants, in the ordinary course of business;
- (x) Investments in Permitted Liquid Investments and Investments that were Permitted Liquid Investments when made in an amount not to exceed \$40,000,000 at any one time outstanding; and
- (y) Investments constituting loans or advances by the Borrower to Holdings or a Parent Company in lieu of Restricted Payments permitted pursuant to Section 7.6.

It is further understood and agreed that for purposes of determining the value of any Investment outstanding for purposes of this Section 7.7, such amount shall be deemed to be the amount of such Investment when made, purchased or acquired less any returns on such Investment (not to exceed the original amount invested). Notwithstanding the foregoing, no Investment in an Unrestricted Subsidiary is permitted under this Section 7.7 unless such Investment is permitted pursuant to clause (h) or (v) above.

7.8 Optional Payments and Modifications of Certain Debt Instruments. (a) Make any optional or voluntary payment, prepayment, repurchase or redemption of, or otherwise voluntarily or optionally defease (i) any Mezzanine Facility Indebtedness then outstanding or (ii) the principal of or interest on, or any other amount owing in respect of any Permitted Subordinated Indebtedness; provided that (A) the Borrower or any Restricted Subsidiary may prepay any Mezzanine Facility Indebtedness (or any Permitted Refinancing thereof) with amounts constituting the Available Amount at any time if the Consolidated Total Leverage Ratio is equal to or less than 4.50 to 1.00 as of the end of the most recently ended Reference Period, (B) the Borrower or any Restricted Subsidiary may prepay any Permitted Subordinated Indebtedness (or any Permitted Refinancing thereof) with amounts constituting the Available Amount at any time if the Consolidated Total Leverage Ratio is equal to or less than 4.50 to 1.00 as of the end of the most recently ended Reference Period, (C) the Borrower or any Restricted Subsidiary may refinance, replace or extend any Mezzanine Facility Indebtedness or Permitted Subordinated Indebtedness to the extent permitted by Section 7.2 and (D) the Borrower or any Restricted Subsidiary may convert any Mezzanine Facility Indebtedness or any Permitted Subordinated Indebtedness (or any Permitted Refinancing thereof) to the Capital Stock of Holdings or any Parent Company and (E) the Borrower may prepay the Mezzanine Facility Indebtedness (or any Permitted Refinancing thereof) in an aggregate principal amount not to exceed \$75,000,000 at any time if the Consolidated Total Leverage Ratio is equal to or less than 4.00 to 1.00 as of the end of the most recently ended Reference Period. Notwithstanding the foregoing, nothing in this Section 7.8 shall prohibit any AHYDO Payments in respect of the Mezzanine Facility Indebtedness or any Permitted Subordinated Indebtedness or, in each case, any Permitted Refinancing thereof.

(b) Amend, modify or otherwise change, or consent or agree to any amendment, modification, waiver or other change to, any of the terms of any Permitted Subordinated Indebtedness or Mezzanine Loan Document, in any manner that is materially adverse to the Lenders without the prior consent of the Administrative Agent (with the approval of the Required Lenders); provided that nothing in this Section 7.8(b) shall prohibit the refinancing, replacement, extension or other similar modification of the Permitted Subordinated Indebtedness or the Mezzanine Facility Indebtedness to the extent otherwise permitted by Section 7.2.

7.9 Transactions with Affiliates. Enter into any transaction, including, without limitation, any purchase, sale, lease or exchange of Property, the rendering of any service or the payment of any management, advisory or similar fees, with any Affiliate (other than Holdings, the Borrower or any Restricted Subsidiary) unless such transaction is (a) otherwise not prohibited under this Agreement and (b) upon fair and reasonable terms no less favorable to the Borrower or such Restricted Subsidiary, as the case may be, than it would obtain in a comparable arm's length transaction with a Person that is not an Affiliate. Notwithstanding the foregoing, the Borrower and its Restricted Subsidiaries may (i) pay to the Sponsor and its Affiliates fees, indemnities and expenses pursuant to the Management Agreement and/or fees and expenses in connection with the Merger and disclosed to the Administrative Agent prior to the Closing Date; (ii) enter into any transaction with an Affiliate that is not prohibited by the terms of this Agreement to be entered into by the Borrower or such Restricted Subsidiary with an Affiliate; (iii) make any Restricted Payments contemplated by the Merger Agreement, and otherwise perform their obligations under the Transaction Documents and (iv) without being subject to the terms of this Section 7.9, enter into any transaction with any Person which is an Affiliate of Holdings only by reason of such Person and Holdings having common directors. For the avoidance of doubt, this Section 7.9 shall not apply to employment, bonus, retention and severance arrangements with, and payments of compensation or benefits to or for the benefit of, current or former employees, consultants, officers or directors of the Borrower or any of its Restricted Subsidiaries in the ordinary course of business. For purposes of this Section 7.9, any transaction with any Affiliate shall be deemed to have satisfied the standard set forth in clause (b) of the first sentence hereof if such transaction is approved by a majority of the Disinterested Directors of the board of directors of the Borrower or such Restricted Subsidiary, as applicable. "Disinterested Director" shall mean, with respect to any Person and transaction, a member of the Board of Directors of such Person who does not have any material direct or indirect financial interest in or with respect to such transaction.

7.10 Sales and Leasebacks. Enter into any arrangement with any Person providing for the leasing by the Borrower or any Restricted Subsidiary of real or personal Property which is to be sold or transferred by the Borrower or such Restricted Subsidiary (a) to such Person or (b) to any other Person to whom funds have been or are to be advanced by such Person on the security of such Property or rental obligations of the Borrower or such Restricted Subsidiary, except for (i) any such arrangement entered into in the ordinary course of business of the Borrower and its Subsidiaries, (ii) sales or transfers by the Borrower or any Subsidiary Guarantor to the Borrower or any other Subsidiary Guarantor, (iii) sales or transfers by any Non Guarantor Subsidiary to any other Non Guarantor Subsidiary that is a Restricted Subsidiary and (iv) any such arrangement to the extent that the fair market value of such Property does not exceed \$35,000,000 in the aggregate for all such arrangements.

7.11 Changes in Fiscal Periods. Permit the fiscal year of the Borrower to end on a day other than March 31.

7.12 Negative Pledge Clauses. Enter into any agreement that prohibits or limits the ability of the Borrower or any of its Restricted Subsidiaries to create, incur, assume or suffer to exist any Lien upon any of its Property, whether now owned or hereafter acquired, to secure the Obligations or, in

the case of any Subsidiary Guarantor, its obligations under the Guarantee and Collateral Agreement, other than:

- (a) this Agreement and the other Loan Documents and the Mezzanine Loan Documents;
- (b) any agreements governing any purchase money Liens or Capital Lease Obligations otherwise permitted hereby (in which case, any prohibition or limitation shall only be effective against the assets financed thereby and the proceeds thereof);
- (c) software and other Intellectual Property licenses pursuant to which the Borrower or such Restricted Subsidiary is the licensee of the relevant software or Intellectual Property, as the case may be, (in which case, any prohibition or limitation shall relate only to the assets subject of the applicable license);
- (d) Contractual Obligations incurred in the ordinary course of business and on customary terms which limit Liens on the assets subject of the applicable Contractual Obligation;
- (e) any agreements regarding Indebtedness or other obligations of any Non-Guarantor Subsidiary not prohibited under Section 7.2 (in which case, any prohibition or limitation shall only be effective against the assets of such Non-Guarantor Subsidiary and its Subsidiaries);
- (f) prohibitions and limitations in effect on the date hereof and listed on Schedule 7.12;
- (g) customary provisions contained in joint venture agreements and other similar agreements applicable to joint ventures entered into in the ordinary course of business;
- (h) customary provisions restricting the subletting or assignment of any lease governing a leasehold interest;
- (i) customary restrictions and conditions contained in any agreement relating to any Disposition of Property not prohibited hereunder;
- (j) any agreement in effect at the time any Person becomes a Subsidiary, so long as such agreement was not entered into in contemplation of such Person becoming a Subsidiary;
- (k) restrictions imposed by applicable law;
- (l) restrictions imposed by any Permitted Subordinated Indebtedness (i) that are consistent with the definition thereof or otherwise consistent with prevailing market practice for similar types of Indebtedness at the time such restrictions are incurred or (ii) to which the Administrative Agent has not objected after having been afforded a period of at least five Business Days to review such restrictions;
- (m) restrictions in respect of Indebtedness secured by Liens permitted by Sections 7.3(g) and 7.3(z) relating solely to the assets or proceeds thereof secured by such Indebtedness to the extent required to be so limited by such Sections; and
- (n) customary provisions restricting assignment of any agreement entered into in the ordinary course of business.

7.13 Clases Restricting Subsidiary Distributions. Enter into any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to (a) make Restricted Payments in respect of any Capital Stock of such Restricted Subsidiary held by, or pay any Indebtedness owed to, the Borrower or any Restricted Subsidiary or (b) make Investments in the Borrower or any Restricted Subsidiary, except for such encumbrances or restrictions existing under or by reason of (i) any restrictions existing under the Loan Documents and the Mezzanine Loan Documents, (ii) any restrictions with respect to such Restricted Subsidiary imposed pursuant to an agreement that has been entered into in connection with the Disposition of all or substantially all of the Capital Stock or assets of such Restricted Subsidiary, (iii) customary net worth provisions contained in Real Property leases entered into by the Borrower and its Restricted Subsidiaries, so long as the Borrower has determined in good faith that such net worth provisions would not reasonably be expected to impair the ability of the Borrower and its Restricted Subsidiaries to meet their ongoing obligations, (iv) any restrictions contained in agreements related to Indebtedness of any Non-Guarantor Subsidiary not prohibited under Section 7.2 (in which case such restriction shall relate only to such Indebtedness and/or such Non-Guarantor Subsidiary and its Restricted Subsidiaries) or Indebtedness secured by Liens permitted by Sections 7.3(g) and 7.3(z), (v) any restrictions regarding licenses or sublicenses by the Borrower and its Restricted Subsidiaries of Intellectual Property in the ordinary course of business (in which case such restriction shall relate only to such Intellectual Property), (vi) Contractual Obligations incurred in the ordinary course of business which include customary provisions restricting the assignment of any agreement relating thereto, (vii) customary provisions contained in joint venture agreements and other similar agreements applicable to joint ventures entered into in the ordinary course of business, (viii) customary provisions restricting the subletting or assignment of any lease governing a leasehold interest, (ix) customary restrictions and conditions contained in any agreement relating to any Disposition of Property not prohibited hereunder, (x) any agreement in effect at the time any Person becomes a Restricted Subsidiary, so long as such agreement was not entered into in contemplation of such Person becoming a Restricted Subsidiary and (xi) restrictions on cash or other deposits imposed by customers under contracts entered into in the ordinary course of business.

7.14 Lines of Business. Enter into any business, either directly or through any of its Restricted Subsidiaries, except for the Business or a business reasonably related thereto or that are reasonable extensions thereof.

7.15 Limitation on Hedge Agreements. Enter into any Hedge Agreement other than Hedge Agreements entered into in the ordinary course of business, and not for speculative purposes.

7.16 Changes in Jurisdictions of Organization; Name. Other than pursuant to the Transactions, in the case of any Loan Party, change its name or change its jurisdiction of organization, in either case except upon prompt written notice to the Collateral Agent and delivery to the Collateral Agent, of all additional executed financing statements, financing change statements and other documents reasonably requested by the Collateral Agent to maintain the validity, perfection and priority of the security interests provided for in the Security Documents.

7.17 Limitation on Activities of Holdings. In the case of Holdings only, notwithstanding anything to the contrary in this Agreement or any other Loan Document, Holdings shall not, so long as the Commitments remain in effect, any Letter of Credit remains outstanding (that has not been cash collateralized or backstopped, in each case on terms agreed to by the Borrower and the applicable Issuing Lender) or any Loan or other amount is owing to any Lender or any Agent hereunder (other than (i) contingent or indemnification obligations not then due and (ii) obligations in respect of Specified Hedge Agreements and Cash Management Obligations): conduct, transact or otherwise engage in, or commit to conduct, transact or otherwise engage in, any business or operations other than (i) those



incidental to its ownership of the Capital Stock of the Borrower and the Subsidiaries of the Borrower and those incidental to Investments by or in Holdings permitted hereunder, (ii) activities incidental to the maintenance of its existence and compliance with applicable laws and legal, tax and accounting matters related thereto and activities relating to its employees, (iii) activities relating to the performance of obligations under the Loan Documents and the Mezzanine Loan Documents to which it is a party or expressly permitted thereunder, (iv) the making of Restricted Payments to the extent of Restricted Payments permitted to be made to Holdings pursuant to Section 7.6, (v) the receipt and payment of Restricted Payments permitted under Section 7.6, (vi) those related to the Transactions and in connection with the Merger Documents and other agreements contemplated thereby or hereby, (vii) to the extent that Section 7 expressly permits the Borrower or a Restricted Subsidiary to enter into a transaction with Holdings, (viii) activities in connection with or in preparation for an initial public offering and (ix) activities incidental to the foregoing activities.

#### SECTION 8. EVENTS OF DEFAULT

8.1 Events of Default. If any of the following events shall occur and be continuing:

(a) The Borrower shall fail to pay (i) any principal of any Loan when due in accordance with the terms hereof, (ii) any principal of any Reimbursement Obligation within three Business Days after any such Reimbursement Obligation becomes due in accordance with the terms hereof or (iii) any interest owed by it on any Loan or Reimbursement Obligation, or any other amount payable by it hereunder or under any other Loan Document, within five Business Days after any such interest or other amount becomes due in accordance with the terms hereof; or

(b) (i) On the Closing Date, any Specified Representation, and (ii) at any time after the Closing Date, any representation or warranty made or deemed made by any Loan Party herein or in any other Loan Document or that is contained in any certificate, document or financial or other statement furnished by it at any time under or in connection with this Agreement or any such other Loan Document, shall in either case prove to have been inaccurate in any material respect and such inaccuracy is adverse to the Lenders on or as of the date made or deemed made or furnished; or

(c) Any Loan Party shall default in the observance or performance of any agreement contained in Section 6.7(a) or Section 7; provided that, any Event of Default under Section 7.1 is subject to cure as contemplated by Section 8.2; or

(d) Any Loan Party shall default in the observance or performance of any other agreement contained in this Agreement or any other Loan Document (other than as provided in paragraphs (a) through (c) of this Section 8.1), and such default shall continue unremedied for a period of 30 days after the earlier of the date that (x) such Loan Party receives from the Administrative Agent or the Required Lenders notice of the existence of such default or (y) a Responsible Officer of such Loan Party has knowledge thereof; or

(e) Holdings, the Borrower or any of its Restricted Subsidiaries shall (i) default in making any payment of any principal of any Indebtedness for Borrowed Money (excluding the Loans and Reimbursement Obligations) on the scheduled or original due date with respect thereto; or (ii) default in making any payment of any interest on any such Indebtedness for Borrowed Money beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness for Borrowed Money was created; or (iii) default in the observance or performance of any other agreement or condition relating to any such Indebtedness for Borrowed Money or

contained in any instrument or agreement evidencing, securing or relating thereto, or any other event of default shall occur, the effect of which payment or other default or other event of default is to cause, or to permit the holder or beneficiary of such Indebtedness (or a trustee or agent on behalf of such holder or beneficiary) to cause, with the giving of notice if required, such Indebtedness for Borrowed Money to become due prior to its stated maturity or to become subject to a mandatory offer to purchase by the obligor thereunder or to become payable; provided that (A) a default, event or condition described in this paragraph shall not at any time constitute an Event of Default unless, at such time, one or more defaults or events of default of the type described in this paragraph shall have occurred and be continuing with respect to Indebtedness for Borrowed Money the outstanding principal amount of which individually exceeds \$25,000,000, and in the case of Indebtedness for Borrowed Money of the types described in clauses (i) and (ii) of the definition thereof, with respect to such Indebtedness which exceeds such amount either individually or in the aggregate and (B) this paragraph (e) shall not apply to (i) secured Indebtedness that becomes due as a result of the sale, transfer, destruction or other disposition of the Property or assets securing such Indebtedness for Borrowed Money if such sale, transfer, destruction or other disposition is not prohibited hereunder and under the documents providing for such Indebtedness or (ii) any Guarantee Obligations except to the extent such Guarantee Obligations shall become due and payable by any Loan Party and remain unpaid after any applicable grace period or period permitted following demand for the payment thereof; or

(f) (i) Holdings, the Borrower or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or Holdings, the Borrower or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against Holdings, the Borrower or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) any case, proceeding or other action of a nature referred to in clause (i) above that (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of 60 days; or (iii) there shall be commenced against Holdings, the Borrower or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against substantially all of its assets that results in the entry of an order for any such relief that shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) Holdings, the Borrower or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) shall consent to or approve of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) Holdings, the Borrower or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(g) (i) Holdings, the Borrower or any of its Restricted Subsidiaries shall incur any liability in connection with any "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Plan, (ii) a failure to meet the minimum funding standards (as defined in Section 302(a) of ERISA), whether or not waived, shall exist with respect to any Single Employer Plan or any Lien in favor of the PBGC or a Plan shall arise on the assets

of Holdings, the Borrower or any of its Restricted Subsidiaries, (iii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Single Employer Plan, which Reportable Event or commencement of proceedings or appointment of a trustee is reasonably likely to result in the termination of such Single Employer Plan for purposes of Title IV of ERISA, (iv) any Single Employer Plan shall terminate in a distress termination under Section 4041(c) of ERISA or in an involuntary termination by the PBGC under Section 4042 of ERISA, (v) Holdings, the Borrower or any of its Restricted Subsidiaries shall, or is reasonably likely to, incur any liability as a result of a withdrawal from, or the Insolvency or Reorganization of, a Multiemployer Plan or (vi) any other event or condition shall occur or exist with respect to a Plan or a Commonly Controlled Plan; and in each case in clauses (i) through (vi) above, such event or condition, together with all other such events or conditions, if any, could reasonably be expected to result in a direct obligation of Holdings, the Borrower or any of its Restricted Subsidiaries to pay money that could have a Material Adverse Effect; or

(h) One or more judgments or decrees shall be entered against Holdings, the Borrower or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) involving for Holdings, the Borrower and any such Restricted Subsidiaries taken as a whole a liability (not paid or fully covered by third-party insurance or effective indemnity) of \$25,000,000 (net of any amounts which are covered by insurance or an effective indemnity) or more, and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 30 days from the entry thereof; or

(i) (i) Any of the Security Documents shall cease, for any reason (other than by reason of the express release thereof in accordance with the terms thereof) to be in full force and effect or shall be asserted in writing by the Borrower or any Subsidiary Guarantor not to be a legal, valid and binding obligation of any party thereto, (ii) any security interest purported to be created by any Security Document and to extend to Collateral that is not immaterial to the Borrower and its Restricted Subsidiaries on a consolidated basis shall cease to be, or shall be asserted in writing by any Loan Party not to be, a valid and perfected security interest (having the priority required by this Agreement or the relevant Security Document) in the securities, assets or properties covered thereby, except to the extent that (x) any such loss of perfection or priority results from limitations of foreign laws, rules and regulations as they apply to pledges of Capital Stock in Foreign Subsidiaries or the application thereof, or from the failure of the Collateral Agent to maintain possession of certificates actually delivered to it representing securities pledged under the Guarantee and Collateral Agreement or to file UCC continuation statements, (y) such loss is covered by a lender's title insurance policy and the Administrative Agent shall be reasonably satisfied with the credit of such insurer or (z) any such loss of validity, perfection or priority is the result of any failure by the Collateral Agent to take any action necessary to secure the validity, perfection or priority of the liens or (iii) the Guarantees pursuant to the Security Documents by any Loan Party of any of the Obligations shall cease to be in full force and effect (other than in accordance with the terms thereof), or shall be asserted in writing by any Loan Party not to be in effect or not to be legal, valid and binding obligations; or

(j) (i) Holdings shall cease to own, directly or indirectly, 100% of the Capital Stock of the Borrower; or (ii) at any time before Holdings' or any Parent Company's Capital Stock is traded on a nationally-recognized stock exchange, the Permitted Investors shall cease to own, directly or indirectly, at least 51% of the Capital Stock of Holdings; or (iii) at any time after Holdings' or any Parent Company's Capital Stock is traded on a nationally-recognized stock exchange and for any reason whatsoever, (x) a majority of the Board of Directors of Holdings shall not be

Continuing Directors or (y) the Permitted Investors shall cease to own, directly or indirectly, at least 35% of the Capital Stock of Holdings and any other "person" or "group" (within the meaning of Rule 13d-5 of the Securities Exchange Act of 1934 as in effect on the date hereof) shall own a greater amount (it being understood that if any such person or group includes one or more Permitted Investors, the shares of Capital Stock of Holdings directly or indirectly owned by the Permitted Investors that are part of such person or group shall not be treated as being owned by such person or group for purposes of determining whether this clause (y) is triggered) (any of the foregoing, a "Change of Control");

then, and in any such event, (A) if such event is an Event of Default specified in clause (i) or (ii) of paragraph (f) above with respect to the Borrower, automatically the Commitments shall immediately terminate and the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents shall immediately become due and payable, and (B) if such event is any other Event of Default, either or both of the following actions may be taken: (i) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower declare the Revolving Commitments to be terminated forthwith, whereupon the Revolving Commitments shall immediately terminate; and (ii) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower, declare the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents to be due and payable forthwith, whereupon the same shall immediately become due and payable. In the case of all Letters of Credit with respect to which presentment for honor shall not have occurred at the time of an acceleration pursuant to this paragraph, the Borrower shall at such time deposit in a cash collateral account opened by the Administrative Agent an amount equal to the aggregate then undrawn and unexpired amount of such Letters of Credit. Amounts held in such cash collateral account shall be applied by the Administrative Agent to the payment of drafts drawn under such Letters of Credit, and the unused portion thereof after all such Letters of Credit shall have expired or been backstopped or been fully drawn upon, if any, shall be applied to repay other obligations of the Borrower hereunder and under the other Loan Documents. After all such Letters of Credit shall have expired or been fully drawn upon, all Reimbursement Obligations shall have been satisfied and all other obligations of the Borrower then due and owing hereunder and under the other Loan Documents shall have been paid in full, the balance, if any, in such cash collateral account shall be returned to the Borrower (or such other Person as may be lawfully entitled thereto). Except as expressly provided above in this Section 8.1 or otherwise in any Loan Document, presentment, demand and protest of any kind are hereby expressly waived by Holdings and the Borrower.

8.2 Specified Equity Contributions. For purposes of determining compliance with Section 7.1 only (and not any other provision of this Agreement, including any such other provision that utilizes a calculation of Consolidated EBITDA), any equity contribution (other than Disqualified Capital Stock) made by Holdings or any of the other direct or indirect equityholders of the Borrower to the Borrower, on or after the Closing Date and on or prior to the day that is 10 Business Days after the day on which financial statements are required to be delivered for such fiscal quarter pursuant to Section 6.1 shall, at the request of the Borrower, be deemed to increase, dollar for dollar, Consolidated EBITDA for such fiscal quarter for the purposes of determining compliance with Section 7.1 at the end of such fiscal quarter and applicable subsequent periods (it being understood that each such contribution shall be effective as to such fiscal quarter for all periods in which such fiscal quarter is included) (any such equity contribution so included in the calculation of Consolidated EBITDA, a "Specified Equity Contribution"); provided that (a) in each four fiscal quarter period there shall be a period of at least three fiscal quarters in which no Specified Equity Contribution is made, (b) the amount of any Specified Equity Contribution shall be no greater than the amount required to cause the Borrower to be in compliance with Section 7.1,

(c) no more than four Specified Equity Contributions may be made in the aggregate prior to the Tranche B Term Loan Maturity Date, (d) Specified Equity Contributions shall not be included in cash, Cash Equivalents and Permitted Liquid Investments for purposes of calculating Consolidated Total Leverage and (e) all Specified Equity Contributions shall be disregarded for any purpose under this Agreement other than determining compliance with Section 7.1.

If, after the making of the Specified Equity Contribution and the recalculations of Consolidated EBITDA pursuant to the preceding paragraph, the Borrower shall then be in compliance with the requirements of Section 7.1, the Borrower shall be deemed to have satisfied the requirements of such covenant as of the relevant date of determination with the same effect as though there had been no failure to comply therewith at such date, and the applicable Event of Default that had occurred shall be deemed cured.

#### SECTION 9. THE AGENTS

9.1 Appointment. Each Lender hereby irrevocably designates and appoints each Agent as the agent of such Lender under the Loan Documents and each such Lender irrevocably authorizes each Agent, in such capacity, to take such action on its behalf under the provisions of the applicable Loan Documents and to exercise such powers and perform such duties as are expressly delegated to such Agent by the terms of the applicable Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Agents shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Agents.

9.2 Delegation of Duties. Each Agent may execute any of its duties under the applicable Loan Documents by or through any of its branches, agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Neither Agent shall be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

9.3 Exculpatory Provisions. Neither any Agent nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or any other Loan Document (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from its or such Person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by any Loan Party or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Agents under or in connection with, this Agreement or any other Loan Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document or for any failure of any Loan Party a party thereto to perform its obligations hereunder or thereunder. The Agents shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the properties, books or records of any Loan Party.

9.4 Reliance by the Agents. The Agents shall be entitled to rely, and shall be fully protected in relying, upon any instrument, writing, resolution, notice, consent, certificate, affidavit, letter, teletype, telex or teletype message, statement, order or other document or conversation believed by it to

be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to Holdings), independent accountants and other experts selected by the Agents. The Agents may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Agents shall be fully justified in failing or refusing to take any action under the applicable Loan Document unless it shall first receive such advice or concurrence of the Required Lenders (or, if so specified by this Agreement, all Lenders or the Majority Facility Lenders in respect of any Facility) as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Agents shall in all cases be fully protected in acting, or in refraining from acting, under the applicable Loan Documents in accordance with a request of the Required Lenders (or, if so specified by this Agreement, all Lenders or the Majority Facility Lenders in respect of any Facility), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans.

9.5 Notice of Default. Neither Agent shall be deemed to have knowledge or notice of the occurrence of any Default or Event of Default unless such Agent has received written notice from a Lender, Holdings or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that an Agent receives such a notice, such Agent shall give notice thereof to the Lenders. The Agents shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders (or, if so specified by this Agreement, all Lenders or the Majority Facility Lenders in respect of any Facility); provided that unless and until such Agent shall have received such directions, such Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

9.6 Non-Reliance on Agents and Other Lenders. Each Lender expressly acknowledges that neither the Agents nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates have made any representations or warranties to it and that no act by any Agent hereafter taken, including any review of the affairs of a Loan Party or any affiliate of a Loan Party, shall be deemed to constitute any representation or warranty by any Agent to any Lender. Each Lender represents to the Agents that it has, independently and without reliance upon any Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, Property, financial and other condition and creditworthiness of the Loan Parties and their affiliates and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon any Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under the applicable Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, Property, financial and other condition and creditworthiness of the Loan Parties and their affiliates. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Agents hereunder, the Agents shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, Property, condition (financial or otherwise), prospects or creditworthiness of any Loan Party or any affiliate of a Loan Party that may come into the possession of either Agent or any of its officers, directors, employees, agents, attorneys-in-fact or affiliates.

9.7 Indemnification. The Lenders agree to indemnify each Agent and any Issuing Lender in its capacity as such (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), ratably according to their respective Aggregate Exposure

Percentages in effect on the date on which indemnification is sought under this Section 9.7 (or, if indemnification is sought after the date upon which the Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with such Aggregate Exposure Percentages immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Loans) be imposed on, incurred by or asserted against such Agent or any Issuing Lender in any way relating to or arising out of, the Commitments, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Agent or any Issuing Lender under or in connection with any of the foregoing; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from such Agent's or any Issuing Lender's gross negligence or willful misconduct. The agreements in this Section 9.7 shall survive the payment of the Loans and all other amounts payable hereunder.

9.8 Agent in Its Individual Capacity. Each Agent and its affiliates may make loans to, accept deposits from and generally engage in any kind of business with any Loan Party as though such Agent were not an Agent. With respect to its Loans made or renewed by it and with respect to any Letter of Credit issued or participated in by it, each Agent shall have the same rights and powers under the applicable Loan Documents as any Lender and may exercise the same as though it were not an Agent, and the terms "Lender" and "Lenders" shall include each Agent in its individual capacity.

9.9 Successor Agents. Any Agent may resign upon 30 days' notice to the Lenders, the Borrower and the other Agent effective upon appointment of a successor Agent. Upon receipt of any such notice of resignation, the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders, which successor agent shall (unless an Event of Default under Section 8.1(a) or Section 8.1(f) with respect to the Borrower shall have occurred and be continuing) be subject to approval by the Borrower (which approval shall not be unreasonably withheld or delayed), whereupon such successor agent shall succeed to the rights, powers and duties of such retiring Agent, and the retiring Agent's rights, powers and duties as Agent shall be terminated, without any other or further act or deed on the part of such retiring Agent or any of the parties to this Agreement or any holders of the Loans. If no successor Agent shall have been so appointed by the Required Lenders with such consent of the Borrower and shall have accepted such appointment within 30 days after the retiring Agent's giving of notice of resignation, then the retiring Agent may, on behalf of the Lenders and with the consent of the Borrower (such consent not to be unreasonably withheld or delayed), appoint a successor Agent, that shall be a bank that has an office in New York, New York with a combined capital and surplus of at least \$500,000,000. After any retiring Agent's resignation as Agent, the provisions of this Section 9 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement and the other Loan Documents.

9.10 Authorization to Release Liens and Guarantees. The Agents are hereby irrevocably authorized by each of the Lenders to effect any release or subordination of Liens or Guarantee Obligations contemplated by Section 10.15.

9.11 Documentation Agents and Syndication Agent. Neither the Documentation Agents nor the Syndication Agents shall have any duties or responsibilities hereunder in their respective capacities as such.

SECTION 10. MISCELLANEOUS

10.1 Amendments and Waivers. (a) Subject to Section 2.25, neither this Agreement, any other Loan Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 10.1. The Required Lenders and each Loan Party party to the relevant Loan Document may, or, with the written consent of the Required Lenders, the Agents and each Loan Party party to the relevant Loan Document may, from time to time, (a) enter into written amendments, supplements or modifications hereto and to the other Loan Documents for the purpose of adding any provisions to this Agreement or the other Loan Documents or changing in any manner the rights or obligations of the Agents, the Swingline Lender, the Issuing Lenders, the Lenders or of the Loan Parties or their Subsidiaries hereunder or thereunder or (b) waive, on such terms and conditions as the Required Lenders or the Agents may specify in such instrument, any of the requirements of this Agreement or the other Loan Documents or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall (i) forgive or reduce the principal amount or extend the final scheduled date of maturity of any Loan, extend the scheduled date or reduce the amount of any amortization payment in respect of any Term Loan, reduce the stated rate of any interest, fee or premium payable hereunder (except (A) in connection with the waiver of applicability of any post-default increase in interest rates (which waiver shall be effective with the consent of the Required Lenders) and (B) that any amendment or modification of defined terms used in the financial ratios in this Agreement shall not constitute a reduction in the rate of interest or fees for purposes of this clause (i)) or extend the scheduled date of any payment thereof, or increase the amount or extend the expiration date of any Lender's Commitment, in each case without the written consent of each Lender directly and adversely affected thereby; (ii) amend, modify or waive any provision of paragraph (a) of this Section 10.1 without the written consent of all Lenders; (iii) reduce any percentage specified in the definition of Required Lenders, consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement and the other Loan Documents, release all or substantially all of the Collateral or release all or substantially all of the Guarantors from their obligations under the Guarantee and Collateral Agreement, in each case without the written consent of all Lenders (other than to the extent permitted by Section 7.4); (iv) amend, modify or waive any provision of paragraph (a) or (c) of Section 2.18 without the written consent of all Lenders adversely affected thereby; (v) amend, modify or waive any provision of paragraph (b) of Section 2.18 without the written consent of the Majority Facility Lenders in respect of each Facility adversely affected thereby; (vi) reduce the percentage specified in the definition of Majority Facility Lenders with respect to any Facility without the written consent of all Lenders under such Facility; (vii) amend, modify or waive any provision of Section 9 without the written consent of the Agents; (viii) amend, modify or waive any provision of Section 2.6 or 2.7 with respect to Swingline Loans without the written consent of the Swingline Lender; (ix) amend, modify or waive any provision of Section 3 without the written consent of the Issuing Lenders; or (x) amend the definition of "Change of Control" or amend, modify or waive the provisions of Section 8.1(j) without the written consent of Lenders holding more than 66-2/3% of the sum of (x) the aggregate unpaid principal amount of the Term Loans then outstanding and (y) the Revolving Commitments then in effect or, if the Revolving Commitments have been terminated, the Revolving Extensions of Credit then outstanding. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Lenders and shall be binding upon the Loan Parties, the Lenders, the Agents and all future holders of the Loans. In the case of any waiver, the Loan Parties, the Lenders and the Agents shall be restored to their former position and rights hereunder and under the other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing unless limited by the terms of such waiver; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.



(b) Notwithstanding the foregoing, this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Agents, Holdings and the Borrower (a) to add one or more additional credit facilities to this Agreement (it being understood that no Lender shall have any obligation to provide or to commit to provide all or any portion of any such additional credit facility) and to permit the 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 Term Loans and Revolving Extensions of Credit and the accrued interest and fees in respect thereof and (b) to include appropriately, after the effectiveness of any such amendment (or amendment and restatement), the Lenders holding such credit facilities in any determination of the Required Lenders and Majority Facility Lenders, as applicable.

(c) In addition, notwithstanding the foregoing, this Agreement may be amended with the written consent of the Agents, Holdings, the Borrower and the Lenders providing the relevant Replacement Term Loans (as defined below) to permit the refinancing of all outstanding Term Loans of any Tranche ("Refinanced Term Loans") with a replacement term loan tranche hereunder ("Replacement Term Loans"); provided that (a) the aggregate principal amount of such Replacement Term Loans shall not exceed the aggregate principal amount of such Refinanced Term Loans, (b) the Applicable Margin for such Replacement Term Loans shall not be higher than the Applicable Margin for such Refinanced Term Loans, (c) the weighted average life to maturity of such Replacement Term Loans shall not be shorter than the weighted average life to maturity of such Refinanced Term Loans at the time of such refinancing and (d) all other terms applicable to such Replacement Term Loans shall be substantially identical to, or less favorable to the Lenders providing such Replacement Term Loans than, those applicable to such Refinanced Term Loans, except to the extent necessary to provide for covenants and other terms applicable to any period after the latest final maturity of the Term Loans in effect immediately prior to such refinancing.

(d) Furthermore, notwithstanding the foregoing, if following the Closing Date, the Administrative Agent and the Borrower shall have jointly identified an obvious error or any error or omission of a technical or immaterial nature, in each case, in any provision of this Agreement or any other Loan Document, then the Administrative Agent and the Borrower shall be permitted to amend such provision and such amendment shall become effective without any further action or consent of any other party to this Agreement or any other Loan Document if the same is not objected to in writing by the Required Lenders within five Business Days following receipt of notice thereof; it being understood that posting such amendment electronically on IntraLinks/IntraAgency or another relevant website with notice of such posting by the Administrative Agent to the Required Lenders shall be deemed adequate receipt of notice of such amendment.

10.2 Notices. (a) All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered, or three Business Days after being deposited in the mail, postage prepaid, or, in the case of telecopy notice, when received, addressed as follows in the case of Holdings, the Borrower, the Agents, and as set forth in an administrative questionnaire delivered to the Administrative Agent in the case of the Lenders, or to such other address as may be hereafter notified by the respective parties hereto:

Holdings:

Explorer Investor Corporation  
1001 Pennsylvania Avenue, NW  
Washington, DC 20004  
Attention: Ian Fujiyama  
Telecopy: (202) 347-9250  
Telephone: (202) 729-5426

in each case with a copy to:

The Carlyle Group  
1001 Pennsylvania Avenue, NW  
Washington, DC 20004  
Attention: Ian Fujiyama  
Telecopy: (202) 347-9250  
Telephone: (202) 729-5426

With a copy to:

Debevoise & Plimpton LLP  
919 Third Avenue  
New York, NY 10022  
Attention: Gregory H. Woods III  
Telecopy: (212) 521-7643  
Telephone: (212) 909-6643

The Borrower:

Booz Allen Hamilton Inc.  
8283 Greensboro Drive  
McLean VA 22102  
Attention: Sam Strickland  
Telecopy: (703) 902-3011  
Telephone: (703) 902-4700

in each case with a copy to:

The Carlyle Group  
1001 Pennsylvania Avenue, NW  
Washington, DC 20004  
Attention: Ian Fujiyama  
Telecopy: (202) 347-9250  
Telephone: (202) 729-5426

With a copy to:

Debevoise & Plimpton LLP  
919 Third Avenue  
New York, NY 10022  
Attention: Gregory H. Woods III  
Telecopy: (212) 521-7643  
Telephone: (212) 909-6643

Agents: Credit Suisse  
One Madison Avenue, New York, NY 10010  
Attention: Agency Manager  
Telecopy: (212) 322-2291  
Email: agency.loanops@credit-suisse.com

provided that any notice, request or demand to or upon the Agents, the Lenders, Holdings or the Borrower shall not be effective until received.

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Section 2 unless otherwise agreed by the Administrative Agent and the applicable Lender. The Agents, Holdings or the Borrower may, in its 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.

10.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of any Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

10.4 Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Loan Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans and other extensions of credit hereunder.

10.5 Payment of Expenses; Indemnification. Except with respect to Taxes which are addressed in Section 2.20, the Borrower agrees (a) to pay or reimburse each Agent for all of its reasonable and documented out-of-pocket costs and expenses incurred in connection with the syndication of the Facilities (other than fees payable to syndicate members) and the development, preparation, execution and delivery of this Agreement and the other Loan Documents and any other documents prepared in connection herewith or therewith and any amendment, supplement or modification thereto, and, as to the Agents only, the administration of the transactions contemplated hereby and thereby, including, without limitation, the reasonable fees and disbursements and other charges of a single firm of counsel to the Agents (plus one firm of special regulatory counsel and one firm of local counsel per material jurisdiction as may reasonably be necessary in connection with collateral matters) in connection with all of the foregoing, (b) to pay or reimburse each Lender and each Agent for all their reasonable and documented out-of-pocket costs and expenses incurred in connection with the enforcement of any rights under this Agreement, the other Loan Documents and any such other documents, including, without limitation, the documented fees and disbursements of a single firm of counsel and, if necessary, a single firm of special regulatory counsel and a single firm of local counsel per material jurisdiction as may reasonably be necessary, for the Agents and the Lenders, taken as a whole, and (c) to pay, indemnify or reimburse each Lender, each Agent, the Documentation Agents, each Issuing Lender, each Lead Arranger and their respective affiliates, and their respective officers, directors, employees, trustees, advisors, agents and controlling Persons (each, an "Indemnitee") for, and hold each Indemnitee harmless from and against any and all other liabilities, obligations, losses, damages, penalties, costs, expenses or disbursements arising out of any actions, judgments or suits of any kind or nature whatsoever, arising out of or in connection

with any claim, action or proceeding relating to or otherwise with respect to the execution, delivery, enforcement, performance and administration of this Agreement, the other Loan Documents and any such other documents, including, without limitation, any of the foregoing relating to the use of proceeds of the Loans or the violation of, noncompliance with or liability under, any Environmental Law applicable to the operations of the Borrower, any of its Subsidiaries or any of the Properties and the fees and disbursements and other charges of legal counsel in connection with claims, actions or proceedings by any Indemnitee against Holdings or the Borrower hereunder (all the foregoing in this clause (c), collectively, the “Indemnified Liabilities”); provided that, neither Holdings nor the Borrower shall have any obligation hereunder to any Indemnitee with respect to Indemnified Liabilities to the extent such Indemnified Liabilities are found by a court of competent jurisdiction to have resulted from (i) the gross negligence, bad faith or willful misconduct of such Indemnitee or its Related Persons, (ii) a material breach of the Loan Documents by such Indemnitee or its Related Persons or (iii) disputes solely among Indemnitees or their Related Persons (it being understood that this clause (iii) shall not apply to the indemnification of an Agent or Lead Arranger in a suit involving an Agent or Lead Arranger in its capacity as such). For purposes hereof, a “Related Person” of an Indemnitee means (i) if the Indemnitee is any Agent or any of its affiliates or their respective officers, directors, employees, agents and controlling Persons, any of such Agent and its affiliates and their respective officers, directors, employees, agents and controlling Persons, and (ii) if the Indemnitee is any Lender or any of its affiliates or their respective officers, directors, employees, agents and controlling Persons, any of such Lender and its affiliates and their respective officers, directors, employees, agents and controlling Persons. All amounts due under this Section 10.5 shall be payable promptly after receipt of a reasonably detailed invoice therefor. Statements payable by the Borrower pursuant to this Section 10.5 shall be submitted to the Borrower at the address thereof set forth in Section 10.2, or to such other Person or address as may be hereafter designated by the Borrower in a written notice to the Administrative Agent. The agreements in this Section 10.5 shall survive repayment of the Obligations.

10.6 Successors and Assigns; Participations and Assignments. (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 Lender that issues any Letter of Credit), except that (i) the Borrower may not 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 the 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 10.6.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may, in compliance with applicable law, assign (other than to any Disqualified Institution or a natural person) to one or more assignees (each, an “Assignee”), all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld or delayed) of:

(A) the Borrower; provided that no consent of the Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund (as defined below), or, if an Event of Default under Section 8.1(a) or 8.1(f) has occurred and is continuing, any other Person; and

(B) the Administrative Agent; provided that no consent of the Administrative Agent shall be required for an assignment to (x) a Lender, an Affiliate of a Lender or an Approved Fund or (y) Holdings, the Borrower or a Subsidiary of the Borrower in connection with a purchase of Term Loans pursuant to Section 2.11(c); and

(C) in the case of an assignment under the Revolving Facility, each Issuing Lender and the Swingline Lender.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitments or Loans under any Facility, the amount of the Commitments or Loans of the assigning Lender subject to each such assignment (determined as of (I) the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or (II) if earlier, the "trade date" (if any) specified in such Assignment and Assumption) shall not be less than (x) \$5,000,000, in the case of the Revolving Facility or (y) \$1,000,000, in the case of the Tranche A Term Facility or the Tranche B Term Facility, unless the Borrower and the Administrative Agent otherwise consent; provided that (1) no such consent of the Borrower shall be required if an Event of Default under Section 8.1(a) or 8.1(f) has occurred and is continuing and (2) such amounts shall be aggregated in respect of each Lender and its Affiliates or Approved Funds, if any;

(B) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption via an electronic settlement system acceptable to the Administrative Agent and the Borrower (or, at the Borrower's request, manually) together with a processing and recordation fee of \$3,500 (which fee may be waived or reduced in the sole discretion of the Administrative Agent); provided that only one such fee shall be payable in the case of contemporaneous assignments to or by two or more related Approved Funds; and

(C) the Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an administrative questionnaire and all applicable tax forms; provided that the provisions of this clause (ii) shall not apply to an assignment to Holdings or a Subsidiary of the Borrower in connection with a purchase of Term Loans pursuant to Section 2.11(c).

For the purposes of this Section 10.6, "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 and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) (i) an entity or an Affiliate of an entity that administers or manages a Lender or (ii) an entity or an Affiliate of an entity that is the investment advisor to a Lender. Notwithstanding the foregoing, no Lender shall be permitted to make assignments under this Agreement to any Disqualified Institutions.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) below, 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 subject to the obligations under and entitled to the benefits of Sections 2.19, 2.20, 2.21 and 10.5). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 10.6 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 10.6 (and will be required to comply therewith).

(iv) The Administrative Agent, acting for this purpose as an agent of the 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 Commitments of, and principal amount of the Loans and L/C Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). Holdings, the Borrower, the Administrative Agent, the Issuing Lenders, the Swingline Lender and the Lenders may 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 (and the entries in the Register shall be conclusive absent demonstrable error for such purposes), notwithstanding notice to the contrary. The Register shall be available for inspection by Holdings, the Borrower, the Issuing Lenders, the Swingline Lender and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an Assignee, the Assignee's completed administrative questionnaire (unless the Assignee shall already be a Lender hereunder) and all applicable tax forms, the processing and recordation fee referred to in paragraph (b) of this Section 10.6 and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and promptly record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) (i) Any Lender may, without the consent of the Borrower or the Administrative Agent, in compliance with applicable law, sell participations (other than to any Disqualified Institution) to one or more banks or other entities (a "Participant"), in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitments 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 and (C) the Borrower, the Administrative Agent, the Issuing Lenders, the Swingline Lender 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. Any agreement 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 may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver that (1) requires the consent of each Lender directly and adversely affected thereby pursuant to the proviso to the second sentence of Section 10.1 and (2) directly affects such Participant. Subject to paragraph (c)(ii) of this Section 10.6, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.19, 2.20 and 2.21 (if such Participant agrees to have related obligations thereunder) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section 10.6. Notwithstanding the foregoing, no Lender shall be permitted to sell participations under this Agreement to any Disqualified Institutions.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.19 or 2.20 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent to such greater amounts. No Participant shall be entitled to the benefits of Section 2.20 unless such Participant complies with Section 2.20(d) or (e), as (and to the extent) applicable, as if such Participant were a Lender.

(d) Any Lender may, without the consent of or notice to the Administrative Agent or the Borrower, 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 any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section 10.6 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.

(e) The Borrower, upon receipt of written notice from the relevant Lender, agrees to issue Notes to any Lender requiring the same (in the case of an assignment, following surrender by the assigning Lender of all Notes representing its assigned interests).

(f) The Borrower may prohibit any assignment if it would require the Borrower to make any filing with any Governmental Authority or qualify any Loan or Note under the laws of any jurisdiction and the Borrower shall be entitled to request and receive such information and assurances as it may reasonably request from any Lender or any Assignee to determine whether any such filing or qualification is required or whether any assignment is otherwise in accordance with applicable law.

(g) Notwithstanding anything to the contrary contained herein, other than pursuant to Section 2.11(c), none of Holdings, the Borrower or any of its Subsidiaries may acquire by assignment, participation or otherwise any right to or interest in any of the Commitments or Loans hereunder (and any such attempted acquisition shall be null and void).

10.7 Adjustments; Set-off. (a) Except to the extent that this Agreement provides for payments to be allocated to a particular Lender or to the Lenders under a particular Facility, if any Lender (a "Benefited Lender") shall at any time receive any payment of all or part of the Obligations owing to it, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by setoff, pursuant to events or proceedings of the nature referred to in Section 8.1(f), or otherwise) in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of such other Lender's Obligations, such Benefited Lender shall purchase for cash from the other Lenders a participating interest in such portion of each such other Lender's Obligations, or shall provide such other Lenders with the benefits of any such collateral, as shall be necessary to cause such Benefited Lender to share the excess payment or benefits of such collateral ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefited Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) In addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without prior notice to the Borrower, any such notice being expressly waived by the Borrower to the extent permitted by applicable law, upon any amount becoming due and payable by the Borrower hereunder (whether at the stated maturity, by acceleration or otherwise) after the expiration of any cure or grace periods, to set off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final but excluding trust accounts), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any affiliate, branch or agency thereof to or for the credit or the account of the Borrower. Each Lender agrees promptly to notify the Borrower and the Administrative Agent after any such setoff and application made by such Lender; provided that the failure to give such notice shall not affect the validity of such setoff and application.

10.8 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement by facsimile or electronic (i.e., "pdf") transmission shall be effective as delivery of a manually executed counterpart hereof. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

10.9 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10.10 Integration. This Agreement and the other Loan Documents represent the entire agreement of Holdings, the Borrower, the Agents and the Lenders with respect to the subject matter hereof and thereof.

10.11 **GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS TO THE EXTENT THAT THE SAME ARE NOT MANDATORILY APPLICABLE BY STATUTE AND THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.**

10.12 Submission to Jurisdiction; Waivers. Each of Holdings and the Borrower hereby irrevocably and unconditionally:

(a) submits for itself and its Property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to it at its address set forth in Section 10.2 or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 10.12 any special, exemplary, punitive or consequential damages.



10.13 Acknowledgments. Each of Holdings and the Borrower hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents;

(b) neither the Agents nor any Lender has any fiduciary relationship with or duty to either of Holdings or the Borrower arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Agents and Lenders, on one hand, and Holdings and the Borrower, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among Holdings, the Borrower and the Lenders.

10.14 Confidentiality. The Agents and the Lenders agree to treat any and all information, regardless of the medium or form of communication, that is disclosed, provided or furnished, directly or indirectly, by or on behalf of Holdings or any of its affiliates in connection with this Agreement or the transactions contemplated hereby whether furnished before or after the Closing Date ("Confidential Information"), strictly confidential and not to use Confidential Information for any purpose other than evaluating the Merger Transactions and negotiating, making available, syndicating and administering this Agreement (the "Agreed Purposes"). Without limiting the foregoing, each Agent and each Lender agrees to treat any and all Confidential Information with adequate means to preserve its confidentiality, and each Agent and each Lender agrees not to disclose Confidential Information, at any time, in any manner whatsoever, directly or indirectly, to any other Person whomsoever, except (1) to its directors, officers, employees, counsel, advisors, trustees, affiliates and other representatives (collectively, the "Representatives"), to the extent necessary to permit such Representatives to assist in connection with the Agreed Purposes (it being understood that the Representatives to whom such disclosure is made will be informed of the confidential nature of such Confidential Information and instructed to keep such Confidential Information confidential), (2) to any pledgee referred to in Section 10.6(d) and prospective Lenders and participants in connection with the syndication (including secondary trading) of the Facilities and Commitments and Loans hereunder, in each case who are informed of the confidential nature of the information and agree to observe and be bound by standard confidentiality terms, (3) upon the request or demand of any Governmental Authority having or purporting to have jurisdiction over it, (4) in response to any order of any Governmental Authority or as may otherwise be required pursuant to any Requirement of Law, (5) to the extent reasonably required or necessary, in connection with any litigation or similar proceeding relating to the Facilities, (6) that has been publicly disclosed other than in breach of this Section 10.14, (7) to the National Association of Insurance Commissioners or any similar organization or any nationally recognized rating agency that requires access to information about a Lender's investment portfolio in connection with ratings issued with respect to such Lender or in connection with examinations or audits of such Lender or (8) to the extent reasonably required or necessary, in connection with the exercise of any remedy under the Loan Documents. Each Agent and each Lender acknowledges that (i) Confidential Information includes information that is not otherwise publicly available and that such non-public information may constitute confidential business information which is proprietary to the Borrower and (ii) the Borrower has advised the Agents and the Lenders that it is relying on the Confidential Information for its success and would not disclose the Confidential Information to the Agents and the Lenders without the confidentiality provisions of this Agreement. All information, including requests for waivers and amendments, furnished by the Borrower 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 Borrower and its Affiliates and their related parties or their respective securities. Accordingly, each Lender represents to the Borrower 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, including Federal and state securities laws.

**10.15 Release of Collateral and Guarantee Obligations; Subordination of Liens.** (a) Notwithstanding anything to the contrary contained herein or in any other Loan Document, upon request of the Borrower in connection with any Disposition of Property permitted by the Loan Documents, the Collateral Agent shall (without notice to, or vote or consent of, any Lender, or any affiliate of any Lender that is a party to any Specified Hedge Agreement or Cash Management Obligations or contingent or indemnification obligations not then due) take such actions as shall be required to release its security interest in any Collateral being Disposed of in such Disposition, and to release any Guarantee Obligations under any Loan Document of any Person being Disposed of in such Disposition, to the extent necessary to permit consummation of such Disposition in accordance with the Loan Documents. Any representation, warranty or covenant contained in any Loan Document relating to any such Property so Disposed of (other than Property Disposed of to the Borrower or any of its Restricted Subsidiaries) shall no longer be deemed to be repeated once such Property is so Disposed of.

(b) Notwithstanding anything to the contrary contained herein or in any other Loan Document, when all Obligations (other than (x) obligations in respect of any Specified Hedge Agreement or Cash Management Obligations and (y) any contingent or indemnification obligations not then due) have been paid in full, all Commitments have terminated or expired and no Letter of Credit shall be outstanding that is not cash collateralized or backstopped, upon request of Holdings or the Borrower, the Collateral Agent shall (without notice to, or vote or consent of, any Lender, or any affiliate of any Lender that is a party to any Specified Hedge Agreement or documentation in respect of Cash Management Obligations) take such actions as shall be required to release its security interest in all Collateral, and to release all Guarantee Obligations under any Loan Document, whether or not on the date of such release there may be outstanding Obligations in respect of Specified Hedge Agreements or Cash Management Obligations or contingent or indemnification obligations not then due. Any such release of Guarantee Obligations shall be deemed subject to the provision that such Guarantee Obligations shall be reinstated if after such release any portion of any payment in respect of the Obligations guaranteed thereby shall be rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower or any Guarantor or any substantial part of its Property, or otherwise, all as though such payment had not been made.

(c) Notwithstanding anything to the contrary contained herein or in any other Loan Document, upon request of Holdings or the Borrower in connection with any Liens permitted by the Loan Documents, the Collateral Agent shall (without notice to, or vote or consent of, any Lender) take such actions as shall be required to subordinate the Lien on any Collateral to any Lien permitted under Section 7.3.

**10.16 Accounting Changes.** In the event that any Accounting Change (as defined below) shall occur and such change results in a change in the method of calculation of financial ratios, standards or terms in this Agreement, then the Borrower and the Administrative Agent agree to enter into negotiations in order to amend such provisions of this Agreement so as to equitably reflect such Accounting Changes with the desired result that the criteria for evaluating the Borrower's financial condition shall be the same after such Accounting Changes as if such Accounting Changes had not been

made. Until such time as such an amendment shall have been executed and delivered by the Borrower, the Administrative Agent and the Required Lenders, all financial ratios, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Changes had not occurred. "Accounting Changes" refers to changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or, if applicable, the SEC.

**10.17 WAIVERS OF JURY TRIAL. EACH OF HOLDINGS, THE BORROWER, THE AGENTS AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.**

10.18 USA PATRIOT ACT. Each Lender hereby notifies the Loan Parties that pursuant to the requirements of the USA Patriot Act (Title III of Publ. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies the Loan Parties, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Loan Parties in accordance with the Act.

10.19 Effect of Certain Inaccuracies. In the event that any financial statement delivered pursuant to Section 6.1(a) or (b) or any Compliance Certificate delivered pursuant to Section 6.2(b) is inaccurate, and such inaccuracy, if corrected, would have led to the application of a higher Applicable Margin or Applicable Commitment Fee Rate for any period (an "Applicable Period") than the Applicable Margin or Applicable Commitment Fee Rate for such Applicable Period, then (i) promptly following the correction of such financial statement by the Borrower, the Borrower shall deliver to the Administrative Agent a corrected financial statement and a corrected Compliance Certificate for such Applicable Period, (ii) the Applicable Margin and Applicable Commitment Fee Rate for the twelve month period preceding the delivery of such corrected financial statement and Compliance Certificate shall be determined based on the corrected Compliance Certificate for such Applicable Period and (iii) the Borrower shall promptly pay to the Administrative Agent the accrued additional interest or commitment fees owing as a result of such increased Applicable Margin or Applicable Commitment Fee Rate for such twelve month period. This Section 10.19 shall not limit the rights of the Administrative Agent or the Lenders hereunder, including under Section 8.1.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

EXPLORER INVESTOR CORPORATION,  
as Holdings

By: /s/ Ian Fujiyama

Name: Ian Fujiyama

Title: Vice President

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EXPLORER MERGER SUB CORPORATION,  
as Initial Borrower

By: /s/ Ian Fujiyama

Name: Ian Fujiyama

Title: Vice President

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BOOZ ALLEN HAMILTON INC.,  
as Surviving Borrower

By: /s/ Ralph Shrader

Name: Ralph Shrader

Title: Chairman and Chief Executive Officer

By: /s/ CG Appleby

Name: CG Appleby

Title: Secretary

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CREDIT SUISSE, CAYMAN ISLANDS BRANCH  
as Administrative Agent, Collateral Agent, Issuing  
Lender, Swingline Lender and a Lender

By: /s/ John D. Toronto

Name: John D. Toronto

Title: Director

By: /s/ Shaheen Malik

Name: Shaheen Malik

Title: Associate

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BANK OF AMERICA, N.A.,  
as Syndication Agent and a Lender

By: /s/ Bradford Jones

Name: Bradford Jones

Title: Managing Director

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LEHMAN BROTHERS COMMERCIAL BANK,  
as a Lender and Documentation Agent

By: /s/ Darren S. Lane

Name: Darren S. Lane

Title: Operations Officer

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C.I.T. LEASING CORPORATION,  
as Documentation Agent

By: /s/ Greg Wheelless

Name: Greg Wheelless

Title: Director

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SUMITOMO MITSUI BANKING CORPORATION,  
as Lender and Documentation Agent

By: /s/ Yoshihiro Hyakutome  
Name: Yoshihiro Hyakutome  
Title: General Manager

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GENERAL ELECTRIC CAPITAL  
CORPORATION,  
as Lender

By: /s/ Martin J. Mahoney \_\_\_\_\_  
Name: Martin J. Mahoney  
Title: Duly Authorized Signatory

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THE BANK OF NOVA SCOTIA,  
as Lender

By: /s/ Steven S. Kerr

Name: Steven S. Kerr

Title: Managing Director

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BANK OF TOKYO-MITSUBISHI UFJ  
TRUST COMPANY,  
as Lender

By: /s/ Charles Stewart \_\_\_\_\_

Name: Charles Stewart

Title: Vice President

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NATIXIS,  
as Lender

By: /s/ Edward N. Parkes IV  
Name: Edward N. Parkes IV  
Title: Director

By: /s/ Harold Birk  
Name: Harold Birk  
Title: Managing Director

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CIT BANK,  
as Lender

By: /s/ Daniel Burnett

Name: Daniel Burnett

Title: Authorized Signatory

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CALYON NEW YORK BRANCH,  
as Lender

By: /s/ A. Averbukh

Name: A. Averbukh

Title: Managing Director

By: /s/ Elvis Grgurovic

Name: Elvis Grgurovic

Title: Director

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SCHEDULES

to

CREDIT AGREEMENT<sup>1</sup>

among

EXPLORER INVESTOR CORPORATION,  
EXPLORER MERGER SUB CORPORATION,  
as the Initial Borrower,

BOOZ ALLEN HAMILTON INC.,  
as the Surviving Borrower,

The Several Lenders from Time to Time Parties Hereto,

CREDIT SUISSE, CAYMAN ISLANDS BRANCH,  
as Administrative Agent and Collateral Agent,

BANK OF AMERICA, N.A.,  
as Syndication Agent,

LEHMAN BROTHERS COMMERCIAL BANK,  
C.I.T. LEASING CORPORATION and  
SUMITOMO MITSUI BANKING CORPORATION,  
as Documentation Agents.

and

CREDIT SUISSE,  
as Issuing Lender

Dated as of July 31, 2008

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BANC OF AMERICA SECURITIES, LLC,  
CREDIT SUISSE SECURITIES (USA) LLC,  
LEHMAN BROTHERS INC.  
and  
SUMITOMO MITSUI BANKING CORPORATION  
as Joint Lead Arrangers and Joint Bookrunners

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<sup>1</sup> Capitalized terms used but not defined in this Disclosure Schedule shall have the meanings assigned in the Credit Agreement

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Excluded Subsidiaries

Booz Allen Hamilton Intellectual Property Holdings, LLC

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Commitments

<b>Lender</b>	<b>Revolving Commitment</b>	<b>Tranche A Term Commitment</b>	<b>Tranche B Term Commitment</b>
Credit Suisse	\$ 21,250,000.00	\$ 6,666,666.67	\$355,333,333.34
Lehman Brothers Commercial Bank	\$ 21,250,000.00	\$ 3,333,333.33	\$177,666,666.66
Bank of America, N.A.	\$ 21,250,000.00	—	—
Sumitomo Mitsui Banking Corporation	\$ 21,250,000.00	\$ 20,000,000.00	—
CIT Bank	\$ 15,000,000.00	\$ 20,000,000.00	—
Bank of Tokyo-Mitsubishi UFJ Trust Company	—	\$ 20,000,000.00	—
Calyon New York Branch	—	\$ 35,000,000.00	\$ 5,000,000.00
General Electric Capital Corporation	—	\$ 5,000,000.00	\$ 25,000,000.00
Natixis	—	\$ 3,000,000.00	\$ 12,000,000.00
The Bank of Nova Scotia	—	\$ 12,000,000.00	\$ 10,000,000.00
<b>Total</b>	<b>\$100,000,000.00</b>	<b>\$125,000,000.00</b>	<b>\$585,000,000.00</b>

Existence; Compliance with Law

Booz Allen Transportation Inc. is not in good standing due to New York State franchise tax returns missing and franchise tax payments past due for the following periods: 9/30/1989 and 10/31/2002 including 9/30/2002, 9/30/2003 and 3/31/2006 MTA Surcharge Reports.

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Consents, Authorizations, Filings and Notices

Government Approvals:

None.

Consents:

None.

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Litigation

None.

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Excepted Property.

None.

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Owned Real Property

None.

Leased Real Property

<u>OFFICE</u>	<u>ADDRESS</u>	<u>LOCATION</u>	<u>ZIP CODE</u>	<u>Commencement/ Renewal Date</u>	<u>Expiry Date</u>
EXEC SUITE 7	6565 Americas Parkway, 215 — 218	Albuquerque, NM	87110	12/1/2006, 10/1/2007	9/30/2008
OFFICE	6363 Walker Lane	Alexandria, VA	22301	3/6/2007	7/31/2012
OFFICE	134 National Business Parkway, Suite 100, 200 & 300	Annapolis Junction, MD	20701	5/19/1999	9/30/2009
OFFICE	304 Sentinel Drive	Annapolis Junction, MD	20701	1/1/2006	12/31/2015
OFFICE	2345 Crystal Drive, Suite 913	Arlington, VA	22202	6/1/1994, 4/1/2007	3/31/2011
OFFICE	1530 Wilson Boulevard, Suite 100	Arlington, VA	22209	10/10/2003	10/31/2008
OFFICE	3811 N. Fairfax Drive (10th Fl)	Arlington, VA	22203	11/14/2002	11/30/2009
OFFICE	4001 N. Fairfax Drive, Suite 750	Arlington, VA	22203	10/1/1995	12/31/2010
OFFICE	3811 N. Fairfax Drive, Suite 600 (6th Fl)	Arlington, VA	22203	11/14/2001, 2/20/2007	11/30/2011
OFFICE	1550 Crystal Drive, Suite 1100	Arlington, VA	22202	2/1/1994, 1/1/2007	12/31/2011
DUPLICATE	1550 Crystal Drive, Suite 1205	Arlington, VA	22202	9/1/1998, 1/1/2007	12/31/2011
OFFICE	33 Pervaya Magistralnaya Street, Suite 1002	Astana, Kazakhstan		1/1/2007	12/31/2008
OFFICE 7	230 Peachtree Street, Suite 2100	Atlanta, GA	30303	7/1/1999, 7/1/2004	6/30/2012

OFFICE	ADDRESS	LOCATION	ZIP CODE	Commencement/ Renewal Date	Expiry Date
APARTMENT 3.1	J. Jabbarly Street, 44	Baku, Azerbaijan		9/1/2006	11/30/2008
DIRECT CHARGE — Storage	201 N. Charles Street	Baltimore, MD	21201	6/18/1997, 5/25/2005	M-T-M
OFFICE	201 N. Charles Street, Suite 1201	Baltimore, MD	21201	6/1/1996, 6/6/2007	9/30/2010
OFFICE 7	4692 Millenium Drive, Suite 200	Belcamp, MD		4/1/2006	3/31/2013
EXPANSION SPACE	4692 Millenium Drive, Suite 300	Belcamp, MD		4/1/2008	3/31/2013
USAID OFFICE	24, Smiljaniceva Street	Belgrade, Serbia		9/1/2006	1st floor: 9/30/2010; 2nd floor: 9/30/2008
USAID OFFICE	17, Dalmatiuska Street	Belgrade, Serbia		3/1/2008	2/28/2011
OFFICE	22 Battery March Street, 2nd and 5th Floors	Boston, MA	02109	3/1/2000	2/28/2010
STORAGE	22 Battery March Street	Boston, MA	02109	6/15/2000	2/28/2010
EXEC SUITE	35 Corporate Drive, 4th floor	Burlington, MA	1803	8/1/2006, 1/1/2008	12/31/2008
OFFICE	15059 Conference Center Drive, 3rd Floor	Chantilly, VA	22021	4/1/2001, 4/1/2008	3/31/2013
OFFICE	Ashley Center, 4401 Belle Oaks Drive, Suite 310	Charleston, SC	29405	9/1/2002, 9/1/2007	8/31/2012
OFFICE	1001 Research Park Blvd, Suite 300	Charlottesville, VA	22911	2/12/2007	2/28/2012
DIRECT CHARGE 1	1450 Academy Park Loop, 2nd Floor	Colorado Springs, CO	80910	12/15/2004, 10/1/2007	8/31/2008
OFFICE	121 South Tejon Street (Plaza of the Rockies) (9th fl)	Colorado Springs, CO	80910	10/28/2002, 5/1/2004	4/30/2009
DUPLICATE	121 South Tejon Street (Plaza of the Rockies) 11th Fl	Colorado Springs, CO	80910	12/18/2006	12/31/2011
DUPLICATE	121 South Tejon Street (Plaza of the Rockies) (10th fl)	Colorado Springs, CO	80910	10/1/2003	5/31/2014
DIRECT CHARGE / License Agreement	1050 North Newport Drive	Colorado Springs, CO	80916	9/1/2007	M-T-M

<b>OFFICE</b>	<b>ADDRESS</b>	<b>LOCATION</b>	<b>ZIP CODE</b>	<b>Commencement/ Renewal Date</b>	<b>Expiry Date</b>
OFFICE 1	1900 Founders Drive, Suite 300	Dayton, OH (Kettering)	45420	12/1/2002, 2/1/2008	11/30/2012
Direct Charge	17286 Dumfries Road	Dumfries, VA	22026	9/1/2006	M-T-M
EXECUTIVE SUITE	2530 Meridian Parkway	Durham, NC	27713	5/13/2008	9/30/2008
OFFICE	151 Industrial Way East	Eatontown, NJ	07724	7/9/1993, 5/1/2004	4/30/2009
DUPLICATE	151 Industrial Way East, Building C	Eatontown, NJ	07724	10/20/2006	4/30/2009
DIRECT CHARGE / License Agreement 5	2350 E. El Segundo Boulevard	El Segundo, CA	90245	10/1/2004, 10/1/2007	9/30/2010
OFFICE 1	5201 Leesburg Pike, Suite 400	Falls Church, VA	22041	4/1/1998, 4/1/2002, 4/1/2007	6/30/2009
DIRECT CHARGE — Storage	Skyline 3, 5201 Leesburg Pike	Falls Church, VA	22041	9/1/2001	6/14/2009
DIRECT CHARGE — Storage	Skyline 5, 5111 Leesburg Pike, B100	Falls Church, VA	22041	9/1/2001	6/14/2009
OFFICE	5205 Leesburg Pike, Suite 402	Falls Church, VA	22041	1/1/2001	12/31/2010
EXECUTIVE SUITE	5235 Westview Drive, Suite 100	Frederick, MD	21073	7/14/2008	7/31/2009
OFFICE	5299 DTC Boulevard, Suite 410	Greenwood Village, CO	80111	9/22/1997, 10/1/2007	9/30/2010
OFFICE 1	1331 Ashton Road, Ste C&E	Hanover, MD	21076	10/15/1998, 10/1/2007	9/30/2008
OFFICE	13200 Woodland Park Road	Hemdon, VA	20171	7/19/2004	12/31/2015
DUPLICATE 1, 2	737 Bishop Street, Suite 2800, Mauka Tower	Honolulu, HI	96813	8/7/2000, 4/22/2003, 6/6/2008	8/31/2009
OFFICE	733 Bishop Street, Suite 3000, Makai Tower	Honolulu, HI	96813	3/1/2005	8/31/2009
OFFICE	2525 Bay Area Boulevard, Suite 290	Houston, TX	77058	4/1/1992, 4/1/2008	8/31/2008 (negotiating 1-yr. extension)

OFFICE	ADDRESS	LOCATION	ZIP CODE	Commencement/ Renewal Date	Expiry Date
OFFICE <sup>9</sup>	2625 Bay Area Boulevard, Suite 550	Houston, TX	77058	4/1/2007, 4/1/2008	8/31/2008
OFFICE	Cummings Research Park, Suite 200, 6703 Odyssey Drive	Huntsville, AL	35806	10/24/2003, 2/1/2007	1/31/2012
EXEC SUITE	8888 Keystone Crossing, Suite 1300	Indianapolis, IN	46240	9/1/2006, 6/14/2007	7/31/2009
OFFICE	7 <sup>th</sup> Floor, Menara BDN, Jl. M.H. Thamrin No. 5, Jakarta Pusat	Jakarta, Indonesia	10340	12/1/2006	9/30/2009
OFFICE	1 Pasquerilla Plaza, Suite 128	Johnstown, PA	15901	10/15/2005	10/31/2010
EXEC SUITE	2300 Main Street, Suite 900	Kansas City, MO	64108	2/1/2007, 2/1/2008	1/31/2009
OFFICE	12B/V Igorivska Street, 5 <sup>th</sup> Floor	Kiev, Ukraine		4/1/2007	12/9/2008
OFFICE	9500 Hillwood Drive, Suite 140	Las Vegas, NV	89134	4/13/2004, 5/1/2007	4/30/2010
OFFICE 7	The Abernathy Bldg., 1122 North Second St.	Leavenworth, KS	66048	7/1/2001, 7/22/2005, 9/1/2007	7/31/2010
OFFICE	46950 Bradley Blvd	Lexington Park, MD	20653	10/1/1991	9/30/2008
DUPLICATE	46950 Bradley Blvd, Building #2	Lexington Park, MD	20653	12/1/1998	9/30/2008
TEMP OFFICE	46610 Expedition Drive, Suite 100	Lexington Park, MD	20653	9/15/2006	9/30/2008
Sublease 1 office	46610 Expedition Drive, Suite 101	Lexington Park, MD	20653	1/1/2007	M-T-M
DUPLICATE	900 Elk Ridge Landing Road, Airport Square II	Linthicum, MD	21090	8/26/1996	9/30/2008
OFFICE	900 Elk Ridge Landing Road, Airport Square II	Linthicum, MD	21090	9/1/2003	9/30/2008
OFFICE	515 S. Flower Street, 36 <sup>th</sup> Floor (REGUS)	Los Angeles, CA	90071	4/15/08	4/30/2009
DUPLICATE	5220 Pacific Concourse Drive, Suite 390	Los Angeles, CA	90045	9/28/92, 10/1/07	7/31/2009
OFFICE	5220 Pacific Concourse Drive, 2 <sup>nd</sup> Floor	Los Angeles, CA	90045	7/13/04	7/31/2009
OFFICE	8281 Greensboro Drive	McLean, VA	22102	1/1/1992	12/31/2010
OFFICE	8251 Greensboro Drive	McLean, VA	22102	6/4/1993	12/31/2010
DUPLICATE	8251 Greensboro Drive	McLean, VA	22102	5/1/2004	12/31/2010
OFFICE	8283 Greensboro Drive	McLean, VA	22102	1/21/1996	1/31/2011

OFFICE	ADDRESS	LOCATION	ZIP CODE	Commencement/ Renewal Date	Expiry Date
OFFICE	8285 Greensboro Drive	McLean, VA	22102	1/1/2000	1/31/2012
OFFICE	8255 Greensboro Drive	McLean, VA	22102	4/2/2002	6/30/2014
EXEC SUITE	6767 N. Wickham Road, Suite A-401	Melbourne, FL	32940	07/12/05	12/31/2008
EXEC SUITE	5201 Blue Lagoon Drive, 9th Floor	Miami, FL	33126	7/1/2006	6/30/2009
EXEC SUITE	2501 Liberty Parkway, Suite 200	Midwest City, OK	73110	8/1/2007	7/31/2009
OFFICE	430 Davis Drive, Suite 150	Morrisville, NC	27560	3/1/2005	5/31/2010
OFFICE	Office 28, Building 1, Entrance 3 House 7/5, Bol'shaya Dmitrovka Street	Moscow, Russia	12	4/1/2004	3/31/2009
OFFICE 1, 2	111 Veterans Boulevard, Suite 230	New Orleans, LA	70005	3/31/2002, 3/21/2007	3/31/2009
OFFICE	Three Gateway Center, Suite 1625, 100 Mulberry Street	Newark, NJ	07102	6/20/1996, 7/1/2006	6/30/2009
OFFICE	221 Third Street, 6th Floor, Admiral's Gate Tower	Newport, RI	02840	11/1/1998, 11/1/2007	10/31/2010
OFFICE	Twin Oaks II, 5800 Lake Wright Drive — 1st, 3rd, 4th floors	Norfolk, VA	23502	4/1/2002	4/30/2010
DIRECT CHARGE 1 or 6	39555 Orchard Hill Place, Suite 600	Novi, MI	48375	10/1/2007	7/31/2008
OFFICE 4	1003 E. Wesley Drive, Suite C	O'Fallon, IL	62269	12/6/2007	12/5/2012
OFFICE 1	1299 Farnam Street, Suite 1230	Omaha, NE	68102	4/1/2003, 4/15/2008	6/30/2010
OFFICE	6825 Pine Street, Suite 358	Omaha, NE	68106	8/29/07	8/28/2012
EXEC SUITE	333 City Boulevard West — 17th Floor	Orange, CA	92868	10/1/2005, 4/1/2007	6/30/2008
OFFICE	13501 Ingenuity Drive, Suite 228, One Resource Square	Orlando, FL	32826	12/1/1999, 6/1/2004	11/30/2009
OFFICE	6710 Oxon Hill Road	Oxon Hill, MD	20745	5/7/2008	5/6/2013
OFFICE	220 West Garden Street, Suite 600	Pensacola, FL	32502	3/28/2005	1/31/2011

<b>OFFICE</b>	<b>ADDRESS</b>	<b>LOCATION</b>	<b>ZIP CODE</b>	<b>Commencement/ Renewal Date</b>	<b>Expiry Date</b>
OFFICE	1818 Market Street, 27 <sup>th</sup> Floor	Philadelphia, PA	19103	11/8/1999, 11/1/2004	3/31/2010
DIRECT CHARGE	Pueblo Union Depot, 104 West B Street	Pueblo, CO	81003	11/7/2005, 1/1/2008	12/31/2008
LICENSE AGREEMENT (for one person in ACWA Public Outreach Office)	104 West B Street	Pueblo, CO	81003	11/7/2005	M-T-M
OFFICE	1003-D N. Wilson Road	Radcliff, KY	40160	12/1/2006	11/30/2009
DIRECT CHARGE	1000 Commercial Drive, Suite #2	Richmond, KY	40475	1/5/2006	12/31/2008
License Agreement	900 E North Heritage Drive, Suite 1	Ridgcrest, CA	93555	12/1/2006	2/29/2009
OFFICE	Rock Island Arsenal, Building 62, Ground Floor, West Wing	Rock Island, IL	61299	4/27/2007	7/31/2008
OFFICE 6	12345 Parklawn Drive	Rockville, MD	20852	10/2/1998, 8/1/2006	7/31/2008
OFFICE 6	6010 Executive Blvd	Rockville, MD	20852	5/14/1999, 6/1/2001, 8/1/2006	7/31/2008
OFFICE 4, 2	One Preserve Parkway, 2600 Tower Oaks Blvd.	Rockville, MD	20852	2/15/08	10/31/2015
OFFICE	1101 Wootton Parkway, Suite 800	Rockville, MD	20852	3/15/2003	3/31/2013
OFFICE	500 Avery Lane	Rome, NY	13421	7/1/2008	6/30/2013
OFFICE	201 South Main Street, Suite 950	Salt Lake City, UT	84111	5/10/2005	6/30/2010
OFFICE	4241 Piedras Drive East, Suite 165	San Antonio, TX	78228	9/1/2001, 1/13/2005	1/12/2010
OFFICE	700 N. St. Mary's St., Suite 700 (Riverwalk Plaza)	San Antonio, TX	78205	10/28/2002	7/31/2011
DUPLICATE	1615 Murray Canyon, Suite 900	San Diego, CA	92108	2/17/2004	5/31/2009
DUPLICATE	1615 Murray Canyon, Suite 140 & 615	San Diego, CA	92108	7/20/2006	7/31/2011
DUPLICATE	1615 Murray Canyon, Suite 800 (w/1010 & 300)	San Diego, CA	92108	9/1/1996, 1/12/2006	5/31/2012
DUPLICATE	1615 Murray Canyon, Suite 1010 (w/800 & 300)	San Diego, CA	92108	12/16/98, 1/12/2006	5/31/2012

<b>OFFICE</b>	<b>ADDRESS</b>	<b>LOCATION</b>	<b>ZIP CODE</b>	<b>Commencement/ Renewal Date</b>	<b>Expiry Date</b>
DUPLICATE	1615 Murray Canyon, Suite 300 (w/800 & 1010)	San Diego, CA	92108	6/10/2000, 1/12/2006	5/31/2012
OFFICE	3201 Airpark Drive, Suite 202	Santa Maria, CA	93455	3/1/2002, 5/12/2007	5/11/2010
OFFICE	101 California Street, Suite 3300	San Francisco, CA	94111-5855	12/15/1994	1/21/2014
EXEC SUITE	1990 Main Street, Suite 737, 739, 741 & 748	Sarasota, FL	34236	2/1/2008	1/31/2009
EXEC SUITE 4	720 Olive Way, Suite 1250	Seattle, WA	98101	9/1/2007	8/31/2012
License Agreement	500 N. Garden Avenue, 1B	Sierra Vista, AZ	85635	11/1/2007	10/31/2008
OFFICE 4	2/4 Nikola Vapcarov St	Skopje, Macedonia		11/20/2006	9/28/2011
OFFICE	25 Center Street, Suite 103	Stafford, VA	22556	7/16/2001, 8/1/2006	7/31/2011
DIRECT CHARGE	385 Moffett Park Drive, Suite 200	Sunnyvale, CA	94089	6/1/2005	5/31/2010
OFFICE	4890 W. Kennedy Boulevard, Suite 400, 475	Tampa, FL	33609	12/1/1992, 10/1/2006	9/30/2009
EXEC SUITE	7 Bambis Rigi St.	Tbilisi, Georgia	0105	4/20/2006	1/20/2009
OFFICE 4	2900 100 Street	Urbandale, IA	50322	3/26/2007	3/31/2012
EXEC SUITE1	308 N. Davis Drive, Suite 120	Warner Robins, Georgia	31088	5/1/2007, 10/31/2007, [To be fully executed]	4/30/2009
SUBLEASE	East Columbia Square, 555 13th Street N.W., Suite 480	Washington, DC	20004	5/1/1998, 1/1/2006	2/28/2009
SUBLEASE	700 13th Street, N.W.	Washington, DC	20005	8/22/2003	1/31/2012 (lease) 1/30/2012 (sublease)
OFFICE	1201 M Street, S.E., Suite 220	Washington, DC	20003	11/12/2001, 12/1/2006	11/30/2009
OFFICE	955 L'Enfant Plaza North, S.W. Suite 5300	Washington, DC	20024	11/19/2004	11/30/2009
DIRECT CHARGE	One Technology Drive, 2nd Floor	Westborough, MA	01581	4/19/2007	4/27/2010

OFFICE	ADDRESS	LOCATION	ZIP CODE	Commencement/ Renewal Date	Expiry Date
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OFFICE	Dragon Hill Lodge, Bldg 40508, South Post, Yongson	Seoul, South Korea		4/1/08	3/31/09
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Note: 1: Lease Renewal/Extension; 2: Waiting for signed Lease; 3: Mail Drop or Apartment; 4: New Office; 5: Temp Office; 6: Closing Office; 7: Expansion; 8: Renovation; 9: Relocating



Subsidiaries

(a) Subsidiaries – All Subsidiaries, other than Booz Allen Hamilton Intellectual Property Holdings, LLC, are restricted on the Closing Date.

Entity	Jurisdiction of Incorporation	Parent	Class of Equity Interest	Percent Held
Aestix, Inc.	Delaware	Booz Allen Hamilton Inc.	Common Stock	100%
			Preferred Stock	100%
ASE, Inc.	Delaware	Booz Allen Hamilton Inc.	Common Stock	100%
Booz Allen Hamilton Intellectual Property Holdings, LLC	Delaware	Booz Allen Hamilton Inc.	Class A Member Interest	100% of Class A Member Interests
Booz Allen Transportation Inc.	New York	Booz Allen Hamilton Inc.	Common Stock	100%
Aestix (UK) Ltd.	United Kingdom	Aestix, Inc.	Ordinary Shares	100%

(b) Outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments (other than stock options granted to officers, employees or directors and directors' qualifying shares) of any nature relating to any Capital Stock the Borrower or any of its Restricted Subsidiaries:

None.

U.C.C. Filing Jurisdictions

<u>Entity Name</u>	<u>Office</u>
ASE, Inc.	Delaware Secretary of State Department of Corporations Uniform Commercial Code Division 401 Federal Street Dover, DE 19901
Aestix, Inc.	Delaware Secretary of State Department of Corporations Uniform Commercial Code Division 401 Federal Street Dover, DE 19901
Booz Allen Hamilton Inc.	Delaware Secretary of State Department of Corporations Uniform Commercial Code Division 401 Federal Street Dover, DE 19901
Booz Allen Transportation Inc.	The Division of Corporations, State Records and Uniform Commercial Code One Commerce Plaza 99 Washington Avenue, Suite 600 Albany, NY 12231
Explorer Investor Corporation	Delaware Secretary of State Department of Corporations Uniform Commercial Code Division 401 Federal Street Dover, DE 19901
Explorer Merger Sub Corporation	Delaware Secretary of State Department of Corporations Uniform Commercial Code Division 401 Federal Street Dover, DE 19901

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Post-Closing Undertakings

Evidence that Booz Allen Transportation Inc. is in good standing with the New York State Department of Taxation and Finance to be delivered to Administrative Agent no later than 60 days following the Closing Date.

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Existing Indebtedness

Outstanding Letters of Credit

<u>Issuing Lender</u>	<u>Reference #</u>	<u>Beneficiary</u>	<u>Issue Date</u>	<u>Expiry Date</u>	<u>Currency</u>	<u>USD Amount</u>
Citibank	NY-61640142	Citibank International (London)—Moscow Lease	04/19/05	10/31/09	USD	\$ 62,675.00
Citibank	NY-63661500 Bid Lease	Citibank, Romania—Ministry fro Small and Medium Size Enterprises	04/23/08	Expires Citibank Romania 12/30/08; Expires Citibank New York 01/31/09	LEI	\$ 7,094.23
Citibank	NY-61667052	Citibank UAE—GHQ Armed Forces	07/05/07	Expires Citibank UAE 07/31/17; Expires Citibank New York 08/31/17	AED	\$ 82,719.00
Citibank	NY-61671197	Citibank Egypt—Fast Missile Craft	12/11/07	10/01/08	USD	\$150,000.00
JP Morgan Chase Manhattan Bank	T-247850 Financial	ACE—Workers' Comp Guarantee	04/28/04	Open-Ended	USD	\$845,585.00

Existing Liens

<u>Debtor</u>	<u>Jurisdiction</u>	<u>Filing</u>	<u>Secured Party</u>	<u>Collateral</u>	<u>Original File Date</u>	<u>Original File No.</u>
Booz Allen Hamilton Inc.	Delaware Secretary of State	UCC Continuation	BLC Corporation	Leased equipment	02/09/06	60494369
Booz Allen Hamilton Inc.	Delaware Secretary of State	UCC Continuation	BLC Corporation	Leased equipment	01/03/07	70024322
Booz Allen Hamilton Inc.	Delaware Secretary of State	UCC Continuation	Financial Leasing Corporation	Leased equipment	01/03/07	70024199
Booz Allen Hamilton Inc.	Delaware Secretary of State	UCC Continuation	BLC Corporation	Leased equipment	09/18/07	73516696
Booz Allen Hamilton Inc.	Delaware Secretary of State	UCC-1	McGrath Rentcorp and TRS-Rentelco	Leased equipment	07/11/08	20082384954

Liens of Booz Allen Transportation Inc. arising from New York State franchise tax returns missing and franchise tax payments past due for the following periods: 9/30/1989 and 10/31/2002 including 9/30/2002, 9/30/2003 and 3/31/2006 MTA Surcharge Reports.

The patent application for "Apparatus, method and computer readable medium for evaluating a network of entities and assets" has not yet been assigned to Booz Allen Hamilton Inc. An assignment to Booz Allen Hamilton Inc. will be filed within 30 days after the date hereof.

Existing Investments

Wholly-Owned Unrestricted Subsidiaries: Booz Allen Hamilton Intellectual Property Holdings, LLC

Fee for Equity:

Company Name	Cost Basis	Reserve	Net Asset Value	Class of Equity Interests	Number of Interests
Vocatus	\$ 152,722.80	(152,722.80)	\$ 0	Undetermined	5,916.00
Dorphone Company	\$ 66,960.60	(66,960.60)	\$ 0	B Ordinary	26,100.00
Sharemax I (1)	\$ 629,615.10	(629,615.10)	\$ 0	Common Stock 5/22/00	251,776.80
				Series C Preferred 1/29/01	2,037,598.20
				Common Stock 1/31/01	283,248.90
				Common Stock 1/31/01	509,399.40
				Series C Preferred 1/31/01	5,784,061.80
Sharemax II	\$ 161,040.00	(161,040.00)	\$ 0	See above	
Sharemax PH II	\$ 270,000.00	(270,000.00)	\$ 0	See above	
Greyhound	\$ 300,523.20	(300,523.20)	\$ 0	Preferred Stock	226,752.60
Transportmax (2)	\$1,500,000.00	(1,500,000.00)	\$ 0	N.A.	N.A.
Clearforest	\$ 59,441.40	(59,441.40)	\$ 0	Series B3 Preferred	56,341.80
Daleen	\$ 8,949.60	(8,949.60)	\$ 0	Options on Common Stock Expires 2/9/2010	1,800.00
Schema	\$ 36,405.00	(36,405.00)	\$ 0	Ordinary Shares	10,638.00
Qentra	\$ 75,000.00	(75,000.00)	\$ 0	Common Stock	11,242.50
Oceanconnect	\$ 180,661.50	(180,661.50)	\$ 0	Common Stock	60,000.00
Cci (Convergence Communications, Inc.)	\$ 36,000.00	(36,000.00)	\$ 0		
Eutex	\$ 409,257.60	(409,257.60)	\$ 0	Common Stock	5,638.50
Eyematic PH I and II	\$ 142,070.40	(142,070.40)	\$ 0	Series C Preferred	70,406.70
				Warrants (Expiry 5/20/2012 or five years after IPO)	34,265.70

**Minority Equity:**

<u>Company Name</u>	<u>Cost Basis</u>	<u>Reserve</u>	<u>Net Asset Value</u>	<u>Class of Equity Interests</u>	<u>Number of Interests</u>
Panthea	\$ 1,205,920	\$(1,080,000)	\$ 125,920	Series A	228,021.00
				Series B	443,979.00
Logispring	\$ 851,281	\$ 0	\$ 851,281	Preferred B Shares	7.50
				Common B Shares	1,500.00

(1) Shares represent amounts for all Sharemax tranches

(2) Not Applicable — Not a Minority Equity Stake

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Existing Negative Pledge Clauses

None.

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FORM OF GUARANTEE AND COLLATERAL AGREEMENT

FORM OF COMPLIANCE CERTIFICATE

The undersigned hereby certifies as follows:

1. I am the [TITLE] of Booz Allen Hamilton Inc., a Delaware corporation (the "Company").
2. I have reviewed the terms of that certain Credit Agreement, dated as of July 31, 2008 (as it may be amended, supplemented or otherwise modified, the "Credit Agreement"; unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement), among Explorer Investor Corporation, a Delaware corporation, Explorer Merger Sub Corporation, a Delaware corporation, the Company, the several banks and other financial institutions or entities from time to time parties thereto, Credit Suisse, as Administrative Agent (in such capacity, the "Administrative Agent") and Collateral Agent, Bank of America, N.A., as Syndication Agent, Lehman Brothers Commercial Bank, C.I.T. Leasing Corporation and Sumitomo Mitsui Banking Corporation, as Documentation Agents, Credit Suisse, as Issuing Lender and Banc of America Securities LLC, Credit Suisse Securities (USA) LLC, Lehman Brothers Inc. and Sumitomo Mitsui Banking Corporation, as Joint Lead Arrangers and Joint Bookrunners, and I have made, or have caused to be made under my supervision, a review in reasonable detail of the transactions and condition of the Company and its Subsidiaries during the accounting period covered by the attached financial statements. A description of all new Subsidiaries (if any) and of any change in the name or jurisdiction of organization of any Loan Party (if any) and a listing of any material registrations of or applications for United States Intellectual Property by any Loan Party (if any) during the period covered by this Compliance Certificate is set forth in a separate attachment to this Compliance Certificate.
3. The examination described in paragraph 2 above did not disclose, and I have no knowledge of, the existence of any condition or event which constitutes an Event of Default or Default not previously disclosed in writing to the Administrative Agent during or at the end of the accounting period covered by the attached financial statements or as of the date of this Compliance Certificate, except as set forth in a separate attachment, if any, to this Compliance Certificate, describing in detail the nature of the condition or event, the period during which it has existed and the action which the Company has taken, is taking, or proposes to take with respect to each such condition or event.

The foregoing certifications, together with the financial statements delivered with this Compliance Certificate in support hereof, are made and delivered on behalf of the Company and not individually, on [MM/DD/YY] pursuant to Section 6.2(b) of the Credit Agreement.

BOOZ ALLEN HAMILTON, INC.

By: \_\_\_\_\_  
Title:

FORM OF CLOSING CERTIFICATE  
July 31, 2008

Pursuant to Section 5.1(e) of the Credit Agreement, dated as of July 31, 2008 (the "Credit Agreement"; unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement), among Explorer Investor Corporation, a Delaware corporation, Explorer Merger Sub Corporation, a Delaware corporation, Booz Allen Hamilton Inc., a Delaware corporation, the several banks and other financial institutions or entities from time to time parties thereto, Credit Suisse, as Administrative Agent and Collateral Agent, Bank of America, N.A., as Syndication Agent, Lehman Brothers Commercial Bank, C.I.T. Leasing Corporation and Sumitomo Mitsui Banking Corporation, as Documentation Agents, Credit Suisse, as Issuing Lender and Banc of America Securities LLC, Credit Suisse Securities (USA) LLC, Lehman Brothers Inc. and Sumitomo Mitsui Banking Corporation, as Joint Lead Arrangers and Joint Bookrunners, the undersigned [•], [insert title of officer if Borrower/Holdings] [Secretary/Assistant Secretary] of \_\_\_\_\_ (the "Company"), hereby certifies on behalf of the Company (and not individually) as follows:

- [1. The Specified Representations of [the Company and its Subsidiaries]<sup>1</sup> [the Company]<sup>2</sup> are true and correct in all material respects.
- [2. No material provision of the Merger Agreement and the related disclosure schedules and exhibits thereto has been waived or amended (other than any such waivers or amendments (including, without limitation, with respect to any representations and warranties in the Merger Agreement) as are not materially adverse to the Lenders or the Lead Arrangers (including, without limitation, the definition of "Company Material Adverse Effect" therein and the representation and warranty set forth in Section 4.8(c) thereof)), other than such waivers or amendments consented to by the Lead Arrangers.
- 3. The transactions described in Section 5.1(b)(ii) of the Credit Agreement have been consummated, in accordance with the terms set forth in such Section 5.1(b)(ii).<sup>3</sup>
- 3. \_\_\_\_\_ is the duly elected and qualified Secretary of the Company and the signature set forth for such officer below is such officer's true and genuine signature.

The undersigned Secretary of the Company hereby certifies as follows:] [Borrower/Holdings only]

- 1. Attached hereto as Exhibit [A] is a copy of a certificate of good standing or the equivalent from the Company's jurisdiction of organization dated as of a recent date prior to the date hereof.

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1 Surviving Borrower certificate only.  
 2 Holdings and Merger Sub certificate only.  
 3 Surviving Borrower certificate only.

2. Attached hereto as Exhibit [B] is a true and complete copy of [a unanimous written consent duly adopted by the Board of Directors of the Company]<sup>4</sup> [resolutions duly adopted at a meeting of the Board of Directors]<sup>5</sup>, and such [unanimous written consent has][resolutions have] not in any way been amended, modified, revoked or rescinded, [has/have] been in full force and effect since [its/their] adoption to and including the date hereof and [is/are] now in full force and effect.
3. Attached hereto as Exhibit [C] is a true and complete copy of the bylaws of the Company as in effect on the date hereof.
4. Attached hereto as Exhibit [D] is a true and complete certified copy of the Certificate of Incorporation of the Company as in effect on the date hereof, and such Certificate of Incorporation has not been amended, repealed, modified or restated.
5. The following persons are now duly elected and qualified officers of the Company holding the offices indicated next to their respective names, and the signatures appearing opposite their respective names are the true and genuine signatures of such officers, and each of such officers is duly authorized to execute and deliver on behalf of the Company each of the Loan Documents to which it is a party and any certificate or other document to be delivered by the Company pursuant to the Loan Documents to which it is a party:

Name and Title	Signature
[Name] [Title]	
[Name] [Title]	
[Name] [Title]	
[Name] [Title]	
[Name] [Title]	

<sup>4</sup> Holdings, Merger Sub and Booz Allen Transportation Inc. only.

<sup>5</sup> Borrower, ASE, Inc. and Aestix, Inc. only.

Name and Title

Signature

\_\_\_\_\_  
[Name]

\_\_\_\_\_  
[Title]

IN WITNESS WHEREOF, the undersigned have hereunto set our names as of the date set forth above.

**[COMPANY]**

By: \_\_\_\_\_

Name:

Title:

[I, [NAME], [TITLE] of the Company, do hereby certify that [NAME] is the duly elected, qualified and [TITLE] of the Company, and that [his/her] signature set forth above is [his/her] genuine signature.

\_\_\_\_\_  
Name:

Title: <sup>6</sup>

<sup>6</sup> \_\_\_\_\_  
Subsidiary Guarantor certificates only.

[Certificate of Good Standing]

C-4

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[Unanimous Written Consent]

C-5

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[Bylaws]

C-6

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[Certificate/Articles of Incorporation]

C-7

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FORM OF  
ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between [Insert name of Assignor] (the "Assignor") and [Insert name of Assignee] (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto (the "Standard Terms and Conditions") are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any letters of credit and swingline loans included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the "Assigned Interest"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

- 1. Assignor: \_\_\_\_\_
- 2. Assignee: \_\_\_\_\_  
[and is an Affiliate/Approved Fund of [identify Lender]<sup>7</sup>]
- 3. Borrowers: Explorer Merger Sub Corporation, a Delaware corporation (the "Initial Borrower") and Booz Allen Hamilton Inc., a Delaware corporation (the "Surviving Borrower")
- 4. Administrative Agent: Credit Suisse, as the administrative agent under the Credit Agreement
- 5. Credit Agreement: The \$810,000,000 Credit Agreement, dated as of July 31, 2008, among Explorer Investor Corporation, a Delaware corporation, the Initial Borrower, the Surviving Borrower, the several banks and other financial

7 Select as applicable.

institutions or entities from time to time parties thereto, Credit Suisse, as Administrative Agent and Collateral Agent, Bank of America, N.A., as Syndication Agent, Lehman Brothers Commercial Bank, C.I.T. Leasing Corporation and Sumitomo Mitsui Banking Corporation, as Documentation Agents, Credit Suisse, as Issuing Lender and Banc of America Securities LLC, Credit Suisse Securities (USA) LLC, Lehman Brothers Inc. and Sumitomo Mitsui Banking Corporation, as Joint Lead Arrangers and Joint Bookrunners

6. Assigned Interest:

Facility Assigned <sup>8</sup>	Aggregate Amount of Commitment/Loans for all Lenders	Amount of Commitment/Loans Assigned <sup>3</sup>	Percentage Assigned of Commitment/Loans <sup>9</sup>
	\$	\$	%
	\$	\$	%
	\$	\$	%

Effective Date: \_\_\_\_\_, 20\_\_ [TO BE INSERTED BY ADMINISTRATIVE AGENT IN ACCORDANCE WITH THE CREDIT AGREEMENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

*The Assignee agrees to deliver to the Administrative Agent a completed 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 the Loan Parties 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.*

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

By: \_\_\_\_\_  
Title:

<sup>8</sup> Fill in the appropriate terminology for the types of facilities under the Credit Agreement that are being assigned under this Assignment and Assumption (e.g. "Revolving Commitment," "Tranche A Term Commitment," etc.)

<sup>9</sup> Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

ASSIGNEE

[NAME OF ASSIGNEE]

By: \_\_\_\_\_  
Title:

[Consented to and]<sup>10</sup> Accepted:

CREDIT SUISSE, CAYMAN ISLANDS BRANCH,  
as Administrative Agent

By: \_\_\_\_\_  
Title:

By: \_\_\_\_\_  
Title:

[Consented to:<sup>11</sup>

[BOOZ ALLEN HAMILTON INC.]

By \_\_\_\_\_  
Title:]

[Consented to:<sup>12</sup>

[CREDIT SUISSE, CAYMAN ISLANDS BRANCH,  
as Issuing Lender and Swingline Lender]

By: \_\_\_\_\_  
Title:

By \_\_\_\_\_  
Title:]

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<sup>10</sup> To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.

<sup>11</sup> To be added only if the consent of the Borrower is required by the terms of the Credit Agreement.

<sup>12</sup> To be added only if the consent of the Issuing Lender and the Swingline Lender is required by the terms of the Credit Agreement.

The \$810,000,000 Credit Agreement, dated as of July 31, 2008 (the "Credit Agreement"), among Explorer Investor Corporation, a Delaware corporation, Explorer Merger Sub Corporation, a Delaware corporation, Booz Allen Hamilton Inc., a Delaware corporation (the "Borrower"), the several banks and other financial institutions or entities from time to time parties thereto (the "Lenders"), Credit Suisse, as Administrative Agent and Collateral Agent, Bank of America, N.A., as Syndication Agent, Lehman Brothers Commercial Bank, C.I.T. Leasing Corporation and Sumitomo Mitsui Banking Corporation, as Documentation Agents, Credit Suisse, as Issuing Lender and Banc of America Securities LLC, Credit Suisse Securities (USA) LLC, Lehman Brothers Inc. and Sumitomo Mitsui Banking Corporation, as Joint Lead Arrangers and Joint Bookrunners. Capitalized terms used but not defined herein have the meanings given to them in the Credit Agreement.

STANDARD TERMS AND CONDITIONS FOR  
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of any Borrower, any Subsidiary or Affiliate thereof or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by any Borrower, any Subsidiary or Affiliate thereof or any other Person of any of their respective obligations under any Loan Document.

1.2 Assignee. The Assignee (a) repeats each Lender representation set forth in Section 9.6 of the Credit Agreement; (b) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received and/or had the opportunity to review a copy of the Credit Agreement to the extent it has in its sole discretion deemed necessary, together with copies of the most recent financial statements delivered pursuant to Section 6.1 thereof, as applicable, and such other documents and information as it has in its sole discretion deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, and (v) if it is a Non-US Lender, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; (c) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender; and (d) appoints and

authorizes (i) the Administrative Agent, and (ii) the Collateral Agent to take such action as agent in their respective capacities on its behalf and to exercise such powers and discretion under the Credit Agreement, the other Loan Documents and any other instrument or document furnished pursuant hereto or thereto as are delegated to the Administrative Agent and the Collateral Agent, as applicable, by the terms thereof, together with such powers as are incidental thereto.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption and the rights and obligations of the parties under this Assignment and Assumption shall be governed by, and construed and interpreted in accordance with, the law of the State of New York without regard to principles of conflicts of laws to the extent that the same are not mandatorily applicable by statute and the application of the laws of another jurisdiction would be required thereby.

FORM OF LEGAL OPINION  
OF DEBEVOISE & PLIMPTON LLP

FORM OF LEGAL OPINION  
OF MORRIS, NICHOLS, ARSHT & TUNNELL LLP



## FORM OF EXEMPTION CERTIFICATE

Reference is made to the Credit Agreement, dated as of July 31, 2008 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Explorer Investor Corporation, a Delaware corporation, Explorer Merger Sub Corporation, a Delaware corporation, Booz Allen Hamilton Inc., a Delaware corporation (the "Borrower"), the several banks and other financial institutions or entities from time to time parties thereto, Credit Suisse, as Administrative Agent (in such capacity, the "Administrative Agent") and Collateral Agent, Bank of America, N.A., as Syndication Agent, Lehman Brothers Commercial Bank, C.I.T. Leasing Corporation and Sumitomo Mitsui Banking Corporation, as Documentation Agents, Credit Suisse, as Issuing Lender and Banc of America Securities LLC, Credit Suisse Securities (USA) LLC, Lehman Brothers Inc. and Sumitomo Mitsui Banking Corporation, as Joint Lead Arrangers and Joint Bookrunners. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

\_\_\_\_\_ (the "Non-US Lender") is providing this certificate pursuant to Section 2.20(d) of the Credit Agreement. The Non-US Lender hereby represents and warrants that:

1. The Non-US Lender is the sole record and beneficial owner of the Loans or the obligations evidenced by Note(s) in respect of which it is providing this certificate.
2. The income from the Loans held by the Non-US Lender is not effectively connected with the conduct of a trade or business within the United States.
3. The Non-US Lender is not a "bank" as such term is used in Section 881(c)(3)(A) of the Code. In this regard, the Non-US Lender further represents and warrants that:
  - (a) the Non-US Lender is not subject to regulatory or other legal requirements as a bank in any jurisdiction; and
  - (b) the Non-US Lender has not been treated as a bank for purposes of any tax, securities law or other filing or submission made to any Governmental Authority, any application made to a rating agency or qualification for any exemption from tax, securities law or other legal requirements.
4. The Non-US Lender is not a "10-percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code.
5. The Non-US Lender is not a controlled foreign corporation receiving interest from a related person within the meaning of Section 881(c)(3)(B) of the Code.

We have furnished you with a certificate of our non-U.S. person status on Internal Revenue Service Form W-8BEN. By executing this certificate, the Non-US Lender agrees that (1) if the information provided on this certificate changes, the Non-US Lender shall inform the Borrower (for the benefit of the Borrower and the Administrative Agent) in writing within 30 days of such change and (2) the Non-US Lender shall furnish the Borrower (for the benefit of the Borrower and the Administrative Agent) a properly completed and currently effective certificate in either the calendar year in which

payment is to be made by the Borrower to the Non-US Lender, or in either of the two calendar years preceding such payment.

IN WITNESS WHEREOF, the undersigned has duly executed this certificate.

[NAME OF NON-US LENDER]

By: \_\_\_\_\_  
Name:  
Title:

Date: \_\_\_\_\_

FORM OF SOLVENCY CERTIFICATE

July 31, 2008

Pursuant to Section 5.1(c) of the Credit Agreement, dated as of July 31, 2008 (the "Credit Agreement"; unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement), among Explorer Investor Corporation, a Delaware corporation ("Holdings"), Explorer Merger Sub Corporation, a Delaware corporation, Booz Allen Hamilton Inc., a Delaware corporation, the several banks and other financial institutions or entities from time to time parties thereto, Credit Suisse, as Administrative Agent and Collateral Agent, Bank of America, N.A., as Syndication Agent, Lehman Brothers Commercial Bank, C.I.T. Leasing Corporation and Sumitomo Mitsui Banking Corporation, as Documentation Agents, Credit Suisse, as Issuing Lender and Banc of America Securities LLC, Credit Suisse Securities (USA) LLC, Lehman Brothers Inc. and Sumitomo Mitsui Banking Corporation, as Joint Lead Arrangers and Joint Bookrunners, the undersigned hereby certifies that he is the duly elected and acting Chief Financial Officer of Holdings and that as such he is authorized to execute and deliver this Solvency Certificate on behalf of Holdings (and not as an individual).

Holdings further certifies that on the date hereof, it and each of the Loan Parties (on a consolidated basis) is, and after giving effect to the Transactions will be, Solvent.

*[Remainder of page intentionally left blank]*

IN WITNESS WHEREOF, the undersigned has caused this Solvency Certificate to be executed as of the date set forth above.

EXPLORER INVESTOR CORPORATION

By: \_\_\_\_\_  
Name:  
Title: Chief Financial Officer

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## FORM OF JOINDER AGREEMENT

JOINDER AGREEMENT, dated as of [\_\_\_\_\_, 200\_\_] (the "Joinder Agreement" or this "Agreement"), by and among [NEW LENDERS] (each, a "New Lender" and, collectively, the "New Lenders"), EXPLORER INVESTOR CORPORATION, a Delaware corporation ("Holdings"), BOOZ ALLEN HAMILTON INC., a Delaware corporation (the "Borrower"), and CREDIT SUISSE (the "Administrative Agent").

**RECITALS:**

**WHEREAS**, reference is hereby made to the Credit Agreement, dated as of July 31, 2008 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Holdings, Explorer Merger Sub Corporation, a Delaware corporation, Booz Allen Hamilton Inc., a Delaware corporation, the several banks and other financial institutions or entities from time to time parties thereto (the "Lenders"), Credit Suisse, as Administrative Agent (in such capacity, the "Administrative Agent") and Collateral Agent, Bank of America, N.A., as Syndication Agent, Lehman Brothers Commercial Bank, C.I.T. Leasing Corporation and Sumitomo Mitsui Banking Corporation, as Documentation Agents, Credit Suisse, as Issuing Lender and Banc of America Securities LLC, Credit Suisse Securities (USA) LLC, Lehman Brothers Inc. and Sumitomo Mitsui Banking Corporation, as Joint Lead Arrangers and Joint Bookrunners (capitalized terms used but not defined herein having the meaning provided in the Credit Agreement); and

**WHEREAS**, subject to the terms and conditions of the Credit Agreement, the Borrower may establish New Loan Commitments by, among other things, entering into one or more Joinder Agreements with New Lenders;

**NOW, THEREFORE**, in consideration of the premises and agreements, provisions and covenants herein contained, the parties hereto agree as follows:

I. Each New Lender party hereto hereby agrees to commit to provide its New Loan Commitment, as set forth on Schedule A annexed hereto, on the terms and subject to the conditions set forth below:

II. Each New Lender (i) confirms that it has received a copy of the Credit Agreement and the other Loan Documents, together with copies of the financial statements referred to therein and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement; (ii) agrees that it will, independently and without reliance upon the Administrative Agent, or any other New Lender or any other Lender or Agent and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) appoints and authorizes the Administrative Agent and/or the Collateral Agent, to take such action as agent on its behalf and to exercise such powers under the Credit Agreement and the other Loan Documents as are delegated to the Administrative Agent and the Collateral Agent, respectively, by the terms thereof, together with such powers as are reasonably incidental thereto; and (iv) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement are required to be performed by it as a New Lender.

III. Each New Lender hereby agrees to make its respective Commitment on the following terms and conditions:

1. **Applicable Margin.** The Applicable Margin for each New [Term][Revolving] Loan shall mean, as of any date of determination, a percentage per annum as set forth below:

[INSERT PRICING]

2. **[Principal Payments.** The Borrower shall make principal payments on the New Term Loan in installments on the dates and in the amounts set forth below:

(A) Payment Date	(B) Scheduled Repayment of New Term Loans
	\$ _____
	\$ _____
	\$ _____
	\$ _____
	\$ _____
	\$ _____
	\$ _____
	\$ _____
	\$ _____
	\$ _____
	\$ _____
	\$ _____
	\$ _____
	\$ _____
	\$ _____
	\$ _____

)]**Maturity Date.** The Borrower shall repay the then unpaid principal amount of the New Revolving Loans outstanding, and the New Loan Commitments in respect thereof will terminate, on [•].]

3. **Voluntary and Mandatory Prepayments.** [Scheduled installments of principal of the New Term Loans set forth above shall be reduced in connection with any optional or mandatory prepayments of the New Term Loans in accordance with Sections 2.11 and 2.12 of the Credit Agreement respectively.] [The New Loan Commitments with respect to New Revolving Loans shall be reduced in accordance with Section 2.10.]

4. **Proposed Borrowing.** This Agreement represents the Borrower’s request to [borrow New Term Loans] [establish commitments for New Revolving Loans] from the New Lenders as follows (the “Proposed Borrowing”):

SECTION 1. Business Day of Proposed Borrowing: \_\_\_\_\_, \_\_\_\_

SECTION 2. Amount of Proposed Borrowing: \$ \_\_\_\_\_

[SECTION 3. Interest rate option:

a. ABR Loan(s)

b. Eurocurrency Loan(s) with an initial Interest Period of \_\_\_\_ months]

5. **[New Lenders.** Each New Lender acknowledges and agrees that upon its execution of this Agreement and the making of New [Term][Revolving] Loans, such New Lender shall become a "Lender" under, and for all purposes of, the Credit Agreement and the other Loan Documents, and shall be subject to and bound by the terms thereof, and shall perform all the obligations of and shall have all rights of a Lender thereunder.]<sup>13</sup>

6. **Credit Agreement Governs.** Except as set forth in this Agreement, the New [Term][Revolving] Loans shall otherwise be subject to the provisions of the Credit Agreement and the other Loan Documents.

7. **Certification.** By its execution of this Agreement, the undersigned officer on behalf of Holdings and the Borrower certifies that:

- i. each of the representations and warranties made by any Loan Party in or pursuant to the Loan Documents are true and correct in all material respects, in each case on and as of the date hereof as if made on and as of the date hereof except to the extent that such representations and warranties relate to an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date; and
- ii. the Borrower, upon the incurrence of the Proposed Borrowing, will be in compliance with the conditions contained in Section 2.25(b) of the Credit Agreement.

8. **Notice.** For purposes of the Credit Agreement, the initial notice address of each New Lender shall be as set forth below its signature below.

9. **Non-US Lenders.** For each New Lender that is a Non-US Lender, delivered herewith to the Administrative Agent are such forms, certificates or other evidence with respect to United States federal income tax withholding matters as such New Lender may be required to deliver to Administrative Agent pursuant to Section 2.20(d) of the Credit Agreement.

10. **Recordation of the New Loans.** Upon execution and delivery hereof, the Administrative Agent will record the New [Term][Revolving] Loans made by each New Lender in the Register.

11. **Amendment, Modification and Waiver.** This Agreement may not be amended, modified or waived except as provided by Section 10.1 of the Credit Agreement.

12. **Entire Agreement.** This Agreement, the Credit Agreement and the other Loan Documents constitute the entire agreement among the parties with respect to the subject matter hereof and

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<sup>13</sup> Insert bracketed language if the lending institution is not already a Lender.



thereof and supersede all other prior agreements and understandings, both written and verbal, among the parties or any of them with respect to the subject matter hereof.

**13. GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS TO THE EXTENT THAT THE SAME ARE NOT MANDATORILY APPLICABLE BY STATUTE AND THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.**

**14. Severability.** Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as would be enforceable.

**15. Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement.

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Joinder Agreement as of [\_\_\_\_\_, \_\_\_\_].

[NAME OF NEW LENDER],

By: \_\_\_\_\_  
Name:  
Title:  
Notice Address:  
Attention:  
Telephone:  
Facsimile:

EXPLORER INVESTOR CORPORATION

By: \_\_\_\_\_  
Name:  
Title:

BOOZ ALLEN HAMILTON INC.

By: \_\_\_\_\_  
Name:  
Title:

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**Consented to by:**

CREDIT SUISSE, CAYMAN ISLANDS  
BRANCH, as Administrative Agent

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

SCHEDULE A  
TO JOINDER AGREEMENT

Name of New Lender

[\_\_\_\_\_]

Type of New Loan  
Commitment

[Term][Revolving] Loan  
Commitment

Amount

\$ \_\_\_\_\_

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FORM OF  
PREPAYMENT OPTION NOTICE

Attention of \_\_\_\_\_  
Telecopy No. \_\_\_\_\_

[Date]

Ladies and Gentlemen:

The undersigned, Credit Suisse, as administrative agent (in such capacity, the "Administrative Agent") for the Lenders referred to below, refers to the Credit Agreement, dated as of July 31, 2008 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Explorer Investor Corporation, a Delaware corporation, Explorer Merger Sub Corporation, a Delaware corporation, Booz Allen Hamilton Inc., a Delaware corporation, the several banks and other financial institutions or entities from time to time parties thereto, Credit Suisse, as Administrative Agent and Collateral Agent, Bank of America, N.A., as Syndication Agent, Lehman Brothers Commercial Bank, C.I.T. Leasing Corporation and Sumitomo Mitsui Banking Corporation, as Documentation Agents, Credit Suisse, as Issuing Lender and Banc of America Securities LLC, Credit Suisse Securities (USA) LLC, Lehman Brothers Inc. and Sumitomo Mitsui Banking Corporation, as Joint Lead Arrangers and Joint Bookrunners. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. The Administrative Agent hereby gives notice of an offer of prepayment made by the Borrower pursuant to Section 2.12(e) of the Credit Agreement of the Prepayment Amount. Amounts applied to prepay the Tranche B Term Loans shall be applied pro rata to the Tranche B Term Loan held by you. The portion of the prepayment amount to be allocated to the Tranche B Term Loan held by you and the date on which such prepayment will be made to you (should you elect to receive such prepayment) are set forth below:

- (A) Total Prepayment Amount \$ \_\_\_\_\_
- (B) Portion of Prepayment Amount to be received by you \$ \_\_\_\_\_
- (C) Prepayment Date (ten Business Days after the date of this Prepayment Option Notice) \_\_\_\_\_, 20\_\_\_\_

**IF YOU DO NOT WISH TO RECEIVE ALL OR ANY PORTION OF THE TRANCHE B TERM LOAN PREPAYMENT AMOUNT TO BE ALLOCATED TO YOU ON THE PREPAYMENT DATE INDICATED IN PARAGRAPH (C) ABOVE**, please sign this notice in the space provided below and indicate the percentage and the dollar amount of the Prepayment Amount otherwise payable to you which you do not wish to receive. Please return this notice as so completed via telecopy to the attention of [\_\_\_\_\_] at Credit Suisse, no later than 5:00 P.M., New York City time, one Business Day after the date of this Notice, at telecopy number [(\_\_\_\_)\_\_\_\_ — \_\_\_\_]. **IF YOU DO NOT RETURN THIS NOTICE, YOU WILL RECEIVE 100% OF THE PREPAYMENT AMOUNT ALLOCATED TO YOU ON THE PREPAYMENT DATE.**

Credit Suisse, Cayman Islands Branch,  
as Administrative Agent

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Name of Term Loan Lender

By: \_\_\_\_\_  
Name:  
Title:

Percentage and Dollar Amount  
of Prepayment Amount  
Declined: \_\_\_\_%; \$ \_\_\_\_\_

FORM OF  
TRANCHE A TERM LOAN NOTE

THIS NOTE AND THE OBLIGATIONS REPRESENTED HEREBY MAY NOT BE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE TERMS AND PROVISIONS OF THE CREDIT AGREEMENT REFERRED TO BELOW. TRANSFERS OF THIS NOTE AND THE OBLIGATIONS REPRESENTED HEREBY MUST BE RECORDED IN THE REGISTER MAINTAINED BY THE ADMINISTRATIVE AGENT PURSUANT TO THE TERMS OF SUCH CREDIT AGREEMENT.

§ \_\_\_\_\_

New York, New York  
\_\_\_\_\_, 20\_\_

FOR VALUE RECEIVED, the undersigned, Booz Allen Hamilton Inc., a Delaware corporation ("Booz Allen"), and, together with any assignee of, or successor by merger to, Booz Allen Hamilton Inc.'s rights and obligations under the Credit Agreement (as hereinafter defined) as provided therein, the "Borrower", hereby unconditionally promises to pay to \_\_\_\_\_ (the "Lender") or its registered assigns at the Funding Office specified in the Credit Agreement in Dollars and in immediately available funds, the principal amount of (a) \_\_\_\_\_ DOLLARS (\$\_\_\_\_\_), or, if less, (b) the aggregate unpaid principal amount of all Term Loans owing to the Lender under the Credit Agreement. The principal amount shall be paid in the amounts and on the dates specified in Section 2.3 of the Credit Agreement. The Borrower further agrees to pay interest in like money at such office on the unpaid principal amount hereof from time to time outstanding at the rates and on the dates specified in the Credit Agreement.

This Note (a) is one of the Notes issued pursuant to the Credit Agreement, dated as of July 31, 2008 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Explorer Investor Corporation, a Delaware corporation, Explorer Merger Sub Corporation, a Delaware corporation, the Borrower, the several banks and other financial institutions or entities from time to time parties thereto, Credit Suisse, Cayman Islands Branch, as administrative agent (in such capacity, the "Administrative Agent") and Collateral Agent, Bank of America, N.A., as Syndication Agent, Lehman Brothers Commercial Bank, C.I.T. Leasing Corporation and Sumitomo Mitsui Banking Corporation, as Documentation Agents, Credit Suisse, as Issuing Lender and Banc of America Securities LLC, Credit Suisse Securities (USA) LLC, Lehman Brothers Inc. and Sumitomo Mitsui Banking Corporation, as Joint Lead Arrangers and Joint Bookrunners, (b) is subject to the provisions of the Credit Agreement, which are hereby incorporated by reference, (c) is subject to optional and mandatory prepayment in whole or in part as provided in the Credit Agreement and (d) is secured and guaranteed as provided in the Loan Documents. Reference is hereby made to the Credit Agreement for a statement of all the terms and conditions under which the Tranche A Term Loans evidenced hereby are made and are to be repaid. In the event of any conflict or inconsistency between the terms of this Note and the terms of the Credit Agreement, to the fullest extent permitted by applicable law, the terms of the Credit Agreement shall govern and be controlling.

Upon the occurrence of any one or more Events of Default, all principal and all accrued interest then remaining unpaid on this Note shall become, or may be declared to be, immediately due and payable, all as and to the extent provided in the Credit Agreement. No failure in exercising any rights hereunder or under the other Loan Documents on the part of the Lender shall operate as a waiver of such rights.

All parties now and hereafter liable with respect to this Note, whether maker, principal, surety, guarantor, indorser or otherwise, hereby expressly waive, to the fullest extent permitted by applicable law, presentment, demand, protest and all other similar notices or similar requirements.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

**NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN OR IN THE CREDIT AGREEMENT, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT PURSUANT TO AND IN ACCORDANCE WITH THE REGISTRATION AND OTHER PROVISIONS OF SECTION 10.6 OF THE CREDIT AGREEMENT.**

FOR PURPOSES OF SECTIONS 1272, 1273 AND 1275 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND THE RULES AND REGULATIONS THEREUNDER, THIS NOTE IS BEING ISSUED WITH ORIGINAL ISSUE DISCOUNT. THE ISSUE PRICE, AMOUNT OF THE ORIGINAL ISSUE DISCOUNT, ISSUE DATE AND YIELD TO MATURITY OF THE NOTE CAN BE OBTAINED BY WRITTEN REQUEST TO BOOZ ALLEN HAMILTON INC., CHIEF FINANCIAL OFFICER, AT 8283 GREENSBORO DRIVE, McLEAN, VA 22102.

*[Remainder of page intentionally left blank]*



THIS NOTE AND THE RIGHTS AND OBLIGATIONS OF THE BORROWER AND THE LENDER HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

BOOZ ALLEN HAMILTON INC.

By: \_\_\_\_\_  
Name:  
Title:

FORM OF  
TRANCHE B TERM LOAN NOTE

THIS NOTE AND THE OBLIGATIONS REPRESENTED HEREBY MAY NOT BE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE TERMS AND PROVISIONS OF THE CREDIT AGREEMENT REFERRED TO BELOW. TRANSFERS OF THIS NOTE AND THE OBLIGATIONS REPRESENTED HEREBY MUST BE RECORDED IN THE REGISTER MAINTAINED BY THE ADMINISTRATIVE AGENT PURSUANT TO THE TERMS OF SUCH CREDIT AGREEMENT.

§ \_\_\_\_\_

New York, New York  
\_\_\_\_\_, 20\_\_

FOR VALUE RECEIVED, the undersigned, Booz Allen Hamilton Inc., a Delaware corporation ("Booz Allen"), and, together with any assignee of, or successor by merger to, Booz Allen Hamilton Inc.'s rights and obligations under the Credit Agreement (as hereinafter defined) as provided therein, the "Borrower", hereby unconditionally promises to pay to \_\_\_\_\_ (the "Lender") or its registered assigns at the Funding Office specified in the Credit Agreement in Dollars and in immediately available funds, the principal amount of (a) \_\_\_\_\_ DOLLARS (\$\_\_\_\_\_), or, if less, (b) the aggregate unpaid principal amount of all Term Loans owing to the Lender under the Credit Agreement. The principal amount shall be paid in the amounts and on the dates specified in Section 2.3 of the Credit Agreement. The Borrower further agrees to pay interest in like money at such office on the unpaid principal amount hereof from time to time outstanding at the rates and on the dates specified in the Credit Agreement.

This Note (a) is one of the Notes issued pursuant to the Credit Agreement, dated as of July 31, 2008 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Explorer Investor Corporation, a Delaware corporation, Explorer Merger Sub Corporation, a Delaware corporation, the Borrower, the several banks and other financial institutions or entities from time to time parties thereto, Credit Suisse, Cayman Islands Branch, as administrative agent (in such capacity, the "Administrative Agent") and Collateral Agent, Bank of America, N.A., as Syndication Agent, Lehman Brothers Commercial Bank, C.I.T. Leasing Corporation and Sumitomo Mitsui Banking Corporation, as Documentation Agents, Credit Suisse, as Issuing Lender and Banc of America Securities LLC, Credit Suisse Securities (USA) LLC, Lehman Brothers Inc. and Sumitomo Mitsui Banking Corporation, as Joint Lead Arrangers and Joint Bookrunners, (b) is subject to the provisions of the Credit Agreement, which are hereby incorporated by reference, (c) is subject to optional and mandatory prepayment in whole or in part as provided in the Credit Agreement and (d) is secured and guaranteed as provided in the Loan Documents. Reference is hereby made to the Credit Agreement for a statement of all the terms and conditions under which the Tranche B Term Loans evidenced hereby are made and are to be repaid. In the event of any conflict or inconsistency between the terms of this Note and the terms of the Credit Agreement, to the fullest extent permitted by applicable law, the terms of the Credit Agreement shall govern and be controlling.

Upon the occurrence of any one or more Events of Default, all principal and all accrued interest then remaining unpaid on this Note shall become, or may be declared to be, immediately due and payable, all as and to the extent provided in the Credit Agreement. No failure in exercising any rights hereunder or under the other Loan Documents on the part of the Lender shall operate as a waiver of such rights.

All parties now and hereafter liable with respect to this Note, whether maker, principal, surety, guarantor, indorser or otherwise, hereby expressly waive, to the fullest extent permitted by applicable law, presentment, demand, protest and all other similar notices or similar requirements.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

**NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN OR IN THE CREDIT AGREEMENT, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT PURSUANT TO AND IN ACCORDANCE WITH THE REGISTRATION AND OTHER PROVISIONS OF SECTION 10.6 OF THE CREDIT AGREEMENT.**

FOR PURPOSES OF SECTIONS 1272, 1273 AND 1275 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND THE RULES AND REGULATIONS THEREUNDER, THIS NOTE IS BEING ISSUED WITH ORIGINAL ISSUE DISCOUNT. THE ISSUE PRICE, AMOUNT OF THE ORIGINAL ISSUE DISCOUNT, ISSUE DATE AND YIELD TO MATURITY OF THE NOTE CAN BE OBTAINED BY WRITTEN REQUEST BOOZ ALLEN HAMILTON INC., CHIEF FINANCIAL OFFICER, AT 8283 GREENSBORO DRIVE, McLEAN, VA 22102.

*[Remainder of page intentionally left blank]*

THIS NOTE AND THE RIGHTS AND OBLIGATIONS OF THE BORROWER AND THE LENDER HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

BOOZ ALLEN HAMILTON INC.

By: \_\_\_\_\_  
Name:  
Title:

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FORM OF  
REVOLVING NOTE

THIS NOTE AND THE OBLIGATIONS REPRESENTED HEREBY MAY NOT BE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE TERMS AND PROVISIONS OF THE CREDIT AGREEMENT REFERRED TO BELOW. TRANSFERS OF THIS NOTE AND THE OBLIGATIONS REPRESENTED HEREBY MUST BE RECORDED IN THE REGISTER MAINTAINED BY THE ADMINISTRATIVE AGENT PURSUANT TO THE TERMS OF SUCH CREDIT AGREEMENT.

§ \_\_\_\_\_

New York, New York  
\_\_\_\_\_, 20\_\_

FOR VALUE RECEIVED, the undersigned, Booz Allen Hamilton Inc., a Delaware corporation ("Booz Allen"), and, together with any assignee of, or successor by merger to, Booz Allen Hamilton Inc.'s rights and obligations under the Credit Agreement (as hereinafter defined) as provided therein, the "Borrower", hereby unconditionally promises to pay to \_\_\_\_\_ (the "Lender") or its registered assigns at the Funding Office specified in the Credit Agreement in Dollars and in immediately available funds, the aggregate unpaid principal amount of all Revolving Loans made by the Lender to the undersigned pursuant to Section 2.4 of the Credit Agreement, which sum shall be payable on the Revolving Termination Date. The Borrower further agrees to pay interest in like money at such office on the unpaid principal amount hereof from time to time outstanding at the rates and on the dates specified in the Credit Agreement.

This Note (a) is one of the Notes issued pursuant to the Credit Agreement, dated as of July 31, 2008 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Explorer Investor Corporation, a Delaware corporation, Explorer Merger Sub Corporation, a Delaware corporation, the Borrower, the several banks and other financial institutions or entities from time to time parties thereto, Credit Suisse, Cayman Islands Branch, as administrative agent (in such capacity, the "Administrative Agent") and Collateral Agent, Bank of America, N.A., as Syndication Agent, Lehman Brothers Commercial Bank, C.I.T. Leasing Corporation and Sumitomo Mitsui Banking Corporation, as Documentation Agents, Credit Suisse, as Issuing Lender and Banc of America Securities LLC, Credit Suisse Securities (USA) LLC, Lehman Brothers Inc. and Sumitomo Mitsui Banking Corporation, as Joint Lead Arrangers and Joint Bookrunners, (b) is subject to the provisions of the Credit Agreement, which are hereby incorporated by reference, (c) is subject to optional and mandatory prepayment in whole or in part as provided in the Credit Agreement and (d) is secured and guaranteed as provided in the Loan Documents. Reference is hereby made to the Credit Agreement for a statement of all the terms and conditions under which the Revolving Loans evidenced hereby are made and are to be repaid. In the event of any conflict or inconsistency between the terms of this Note and the terms of the Credit Agreement, to the fullest extent permitted by applicable law, the terms of the Credit Agreement shall govern and be controlling.

Upon the occurrence of any one or more Events of Default, all principal and all accrued interest then remaining unpaid on this Note shall become, or may be declared to be, immediately due and payable, all as and to the extent provided in the Credit Agreement. No failure in exercising any rights hereunder or under the other Loan Documents on the part of the Lender shall operate as a waiver of such rights.

All parties now and hereafter liable with respect to this Note, whether maker, principal, surety, guarantor, indorser or otherwise, hereby expressly waive, to the fullest extent permitted by applicable law, presentment, demand, protest and all other similar notices or similar requirements.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

**NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN OR IN THE CREDIT AGREEMENT, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT PURSUANT TO AND IN ACCORDANCE WITH THE REGISTRATION AND OTHER PROVISIONS OF SECTION 10.6 OF THE CREDIT AGREEMENT.**

*[Remainder of page intentionally left blank]*

THIS NOTE AND THE RIGHTS AND OBLIGATIONS OF THE BORROWER AND THE LENDER HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

BOOZ ALLEN HAMILTON INC.

By: \_\_\_\_\_  
Name:  
Title:

AMENDMENT NO. 1, dated as of December 8, 2009 (this "Amendment"), to the Credit Agreement, dated as of July 31, 2008 (as heretofore amended, the "Existing Credit Agreement"), among BOOZ ALLEN HAMILTON INVESTOR CORPORATION (formerly known as Explorer Investor Corporation), a Delaware corporation ("Holdings"), EXPLORER MERGER SUB CORPORATION, a Delaware corporation (the "Initial Borrower"), BOOZ ALLEN HAMILTON INC., a Delaware corporation into which the Initial Borrower was merged (the "Company" or the "Borrower"), the several banks and other financial institutions or entities from time to time parties thereto (the "Lenders"), CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH (formerly known as Credit Suisse), as Administrative Agent, Collateral Agent and Issuing Lender, BANK OF AMERICA, N.A., as Syndication Agent, LEHMAN BROTHERS COMMERCIAL BANK, C.I.T. LEASING CORPORATION, and SUMITOMO MITSUI BANKING CORPORATION, as Documentation Agents, and BANC OF AMERICA SECURITIES LLC, CREDIT SUISSE SECURITIES (USA) LLC, LEHMAN BROTHERS INC. and SUMITOMO MITSUI BANKING CORPORATION, as Joint Lead Arrangers and Joint Bookrunners.

WHEREAS, the Tranche C Term Lenders have agreed to make Tranche C Term Loans in an aggregate principal amount of \$350,000,000, and the Additional Revolving Lenders have agreed to provide Additional Revolving Commitments in an aggregate amount equal to \$145,000,000, in each case on the terms and conditions set forth herein;

WHEREAS, the Borrower has requested certain amendments to the Existing Credit Agreement in connection with the Recapitalization Transactions; and

WHEREAS, the Borrower and the Lenders have agreed to amend and restate the Existing Credit Agreement on the terms and conditions contained herein.

NOW, THEREFORE, the Borrower, the Lenders and the Administrative Agent hereby agree as follows:

#### ARTICLE 1

##### Definitions

Section 1.1 Defined Terms. Terms defined in the Amended and Restated Credit Agreement (as defined in Section 2.1 hereof) and used herein shall have the meanings assigned to such terms in the Amended and Restated Credit Agreement, unless otherwise defined herein or the context otherwise requires.

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ARTICLE 2

Amendments

Section 2.1 Amended and Restated Credit Agreement. As of the Amendment and Restatement Effective Date (as defined in Section 5.1 hereof), the Existing Credit Agreement is hereby amended and restated in its entirety, in the form attached hereto as Exhibit A (the "Amended and Restated Credit Agreement").

Section 2.2 New Schedule 2.1A. As of the Amendment and Restatement Effective Date, a new Schedule 2.1A is hereby added to the Amended and Restated Credit Agreement, in the form attached hereto as Exhibit B.

Section 2.3 Amendment of Schedule 4.3. As of the Amendment and Restatement Effective Date, Schedule 4.3 to the Existing Credit Agreement is hereby amended and restated in its entirety, in the form attached hereto as Exhibit C.

Section 2.4 New Exhibit J-4. As of the Amendment and Restatement Effective Date, a new Exhibit J-4 is hereby added to the Amended and Restated Credit Agreement, in the form attached hereto as Exhibit D.

Section 2.5 Schedules and Exhibits. Except as set forth in Sections 2.2, 2.3 and 2.4 above, all schedules and exhibits to the Existing Credit Agreement, in the forms thereof immediately prior to the Amendment and Restatement Effective Date, will continue to be schedules and exhibits to the Amended and Restated Credit Agreement.

ARTICLE 3

Tranche C Term Loans and Additional Revolving Commitments

Section 3.1 Tranche C Term Loans. On the Amendment and Restatement Effective Date, the Tranche C Term Lenders will make the Tranche C Term Loans as provided in the Amended and Restated Credit Agreement.

Section 3.2 Additional Revolving Commitments. On the Amendment and Restatement Effective Date, (i) the Revolving Commitment of each Additional Revolving Lender that has an Existing Revolving Commitment shall be automatically and without further action increased by an amount equal to such Additional Revolving Lender's Additional Revolving Commitment and (ii) each Additional Revolving Lender that does not have an Existing Revolving Commitment shall automatically and without further action provide a new Revolving Commitment in an amount equal to such Revolving Lender's Additional Revolving Commitment. To the extent any Revolving Loans are outstanding on the Amendment and Restatement Effective Date, such Revolving Loans shall be prepaid immediately prior to giving effect to the increase in Revolving Commitments on the Amendment and Restatement Effective Date and reborrowed as ABR Loans immediately after giving effect to the increase in Revolving Commitments on the Amendment and Restatement Effective Date, so that such Revolving Loans are held pro rata by the Revolving Lenders after giving effect to such increase. For the avoidance of doubt, such repayment and borrowing of Revolving Loans pursuant to this Section 3.2 shall be subject to Section 2.21, but shall not be subject to the notice and other requirements of Sections 2.5 and 2.11 of the Amended and Restated Credit Agreement.

ARTICLE 4

Consent to Amendment of Mezzanine Loan Agreement

Section 4.1 Consent to Amendment of Mezzanine Loan Agreement. The Lenders hereby consent to Amendment No. 2 to the Mezzanine Loan Agreement, dated as of December 7, 2009, among Holdings, the Borrower, Credit Suisse AG, as administrative agent, and the lenders party thereto.

ARTICLE 5

Miscellaneous

Section 5.1 Conditions to Effectiveness. This Amendment shall become effective as of the date (the "Amendment and Restatement Effective Date") on which:

(a) Amendment. The Administrative Agent shall have received this Amendment, executed and delivered by the Borrower, the Required Lenders, each Tranche C Term Lender and each Additional Revolving Lender;

(b) Acknowledgment and Confirmation. The Administrative Agent shall have received the Acknowledgment and Confirmation, substantially in the form of Exhibit E hereto, executed and delivered by each Guarantor;

(c) Fees. The Borrower shall have paid to the Administrative Agent (i) for distribution to each Lender which executes and delivers to the Administrative Agent (or its designee) a counterpart hereof by 5:00 P.M. (New York City time) on December 8, 2009, a non-refundable cash fee (the "Amendment Fee") in dollars in an amount equal to 10 basis points (0.10%) of the sum of (x) the aggregate principal amount of all Tranche A Term Loans and Tranche B Term Loans of such Lender outstanding on the Amendment and Restatement Effective Date and (y) the amount of such Lender's Existing Revolving Commitment on the Amendment and Restatement Effective Date and (ii) for distribution to each Additional Revolving Lender, a non-refundable cash fee (the "Upfront Fee") in dollars in an amount equal to 150 basis points (1.50%) of such Lender's Additional Revolving Commitment;

(d) Solvency Opinion. The Administrative Agent shall have received a solvency opinion in form and substance and from an independent investment bank or valuation firm reasonably satisfactory to the Administrative Agent to the effect that each of (a) Holdings, the Borrower and the Subsidiary Guarantors, on a consolidated basis, and (b) the Borrower and the Subsidiary Guarantors, on a consolidated basis, in each case after giving effect to the Recapitalization Transactions, are solvent;

(e) Legal Opinions. The Administrative Agent shall have received an executed legal opinion of (i) Debevoise & Plimpton LLP, special New York counsel to the Loan Parties, substantially in the form of Exhibit F-1 and (ii) Morris, Nichols, Arsh & Tunnell LLP, special Delaware counsel to the Loan Parties, substantially in the form of Exhibit F-2;

(f) Closing Certificate. The Administrative Agent shall have received a certificate of the Borrower, dated as of the Amendment and Restatement Effective Date, substantially in the form of Exhibit G, with appropriate insertions and attachments; and

(g) Recapitalization Transactions. The Recapitalization Transactions shall be consummated substantially concurrently with the effectiveness of the Amendment.

Section 5.2 Representations and Warranties: No Defaults. In order to induce the Lenders to enter into this Amendment and to make the Tranche C Term Loans, the Borrower hereby represents and warrants that:

(a) no Default or Event of Default exists as of the Amendment and Restatement Effective Date, both immediately before and immediately after giving effect to this Amendment and the borrowing of the Tranche C Term Loans; and

(b) all of the representations and warranties contained in the Amended and Restated Credit Agreement and in the other Loan Documents are true and correct in all material respects on the Amendment and Restatement Effective Date, both immediately before and immediately after giving effect to this Amendment and the borrowing of the Tranche C Term Loans, with the same effect as though such representations and warranties had been made on and as of the Amendment and Restatement Effective Date (unless such representation or warranty relates to a specific date, in which case such representation or warranty shall be true and correct in all material respects as of such specific date).

Section 5.3 Security. The Borrower acknowledges that (i) the Tranche C Term Loans and any Revolving Loans and Reimbursement Obligations in respect of Additional Revolving Commitments constitute Borrower Obligations (as defined in the Guarantee and Collateral Agreement), (ii) the Guarantee and Collateral Agreement shall continue to be in full force and effect and (iii) all Liens granted by the Borrower as security for the Borrower Obligations pursuant to the Guarantee and Collateral Agreement continue in full force and effect.

Section 5.4 Severability. Any provision of this Amendment which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 5.5 Continuing Effect; No Other Waivers or Amendments. Except as expressly set forth herein, this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of the Lenders, the Administrative Agent or the Loan Parties under the Amended and Restated Credit Agreement or any other Loan Document, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Amended and Restated Credit Agreement or any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle any Loan Party to a consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Amended and Restated Credit Agreement or any other Loan Document in similar or different circumstances. After the Amendment and Restatement Effective Date, any reference in any Loan Document to the Credit Agreement shall mean the Amended and Restated Credit Agreement.

Section 5.6 Counterparts. This Amendment may be executed by one or more of the parties to this Amendment on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Amendment by facsimile or electronic (i.e. "pdf") transmission shall be effective as delivery of a manually executed counterpart hereof.

Section 5.7 Payment of Fees and Expenses. The Borrower agrees to pay or reimburse the Administrative Agent for all of its reasonable and documented out-of-pocket costs and expenses incurred in connection with this Amendment including, without limitation, the reasonable fees and disbursements and other charges of Cravath, Swaine & Moore LLP, counsel to the Administrative Agent.

Section 5.8 GOVERNING LAW. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS TO THE EXTENT THAT THE SAME ARE NOT MANDATORILY APPLICABLE BY STATUTE AND THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered as of the date first above written.

BOOZ ALLEN HAMILTON INC.

By: /s/ CG Appleby

Name: CG Appleby

Title: Secretary

BOOZ ALLEN HAMILTON INVESTOR CORPORATION

By: /s/ Samuel Strickland

Name: Samuel Strickland

Title: Chief Financial Officer

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CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH  
as Administrative Agent, Collateral Agent, Issuing  
Lender and Swingline Lender

By: /s/ John D. Toronto

Name: John D. Toronto

Title: Director

By: /s/ Vipul Dhadda

Name: Vipul Dhadda

Title: Associate

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

BANK OF AMERICA, N.A.

By: /s/ David H. Strickert

Name: David H. Strickert

Title: Senior Vice President

By: \_\_\_\_\_\*

Name:

Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

CIT Bank

By: /s/ Daniel Burnett

Name: Daniel Burnett

Title: Authorized Signatory

By: \_\_\_\_\_ \*

Name:

Title:

\* For institutions requiring two signature blocks.

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**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

CREDIT SUISSE AG,  
CAYMAN ISLANDS BRANCH

By: /s/ John D. Toronto

Name: John D. Toronto  
Title: Director

By: /s/ Vipul Dhadda \*

Name: Vipul Dhadda  
Title: Associate

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Sumitomo Mitsui Banking Corporation

By: /s/ William M. Ginn

Name: William M. Ginn

Title: Executive Officer

By: \_\_\_\_\_ \*

Name:

Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Morgan Stanley Bank, N.A.

By: /s/ Peter Zippelius

Name: Peter Zippelius

Title: Authorized Signatory

By: \_\_\_\_\_\*

Name:

Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

GOLDMAN SACHS CREDIT PARTNERS L.P.

By: /s/ Alexis Maged

Name: Alexis Maged

Title: Authorized Signatory

By: \_\_\_\_\_\*

Name:

Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Barclays Bank PLC

By: /s/ Craig Malley

Name: Craig Malley

Title: Director

By: \_\_\_\_\_ \*

Name:

Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

THE BANK OF NOVA SCOTIA

By: /s/ David Mahmood \_\_\_\_\_

Name: David Mahmood

Title: Managing Director

By: \_\_\_\_\_ \*

Name:

Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Carlyle Credit Partners Financing I, Ltd.

By: /s/ Linda Pace

Name: Linda Pace

Title: Managing Director

By: \_\_\_\_\_\*

Name:

Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Carlyle High Yield Partners 2008-1, Ltd.

By: /s/ Linda Pace

Name: Linda Pace

Title: Managing Director

By: \_\_\_\_\_\*

Name:

Title:

\* For institutions requiring two signature blocks.

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**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Carlyle High Yield Partners VI, Ltd.

By: /s/ Linda Pace

Name: Linda Pace

Title: Managing Director

By: \_\_\_\_\_\*

Name:

Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Carlyle High Yield Partners VII, Ltd.

By: /s/ Linda Pace

Name: Linda Pace

Title: Managing Director

By: \_\_\_\_\_\*

Name:

Title:

\* For institutions requiring two signature blocks.

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**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Carlyle High Yield Partners VIII, Ltd.

By: /s/ Linda Pace

Name: Linda Pace

Title: Managing Director

By: \_\_\_\_\_\*

Name:

Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Carlyle High Yield Partners IX, Ltd.

By: /s/ Linda Pace

Name: Linda Pace

Title: Managing Director

By: \_\_\_\_\_\*

Name:

Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Carlyle High Yield Partners X, Ltd.

By: /s/ Linda Pace

Name: Linda Pace

Title: Managing Director

By: \_\_\_\_\_\*

Name:

Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Deutsche Bank AG New York Branch  
By: DB Services New Jersey, Inc.

By: /s/ Edward Schaffer

Name: Edward Schaffer  
Title: Vice President

By: /s/ Deirdre D. Cesario \*

Name: Deirdre D. Cesario  
Title: Assistant Vice President

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

**FORTRESS CREDIT INVESTMENTS I LTD.**

By: /s/ Glenn P. Cummins

Name: Glenn P. Cummins

Title: Director

**FORTRESS CREDIT INVESTMENTS II LTD.**

By: /s/ Glenn P. Cummins

Name: Glenn P. Cummins

Title: Director

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

**FORTRESS CREDIT OPPORTUNITIES I LP**

By: Fortress Credit Opportunities I GP LLC, its general partner

By: /s/ Glenn P. Cummins

Name: Glenn P. Cummins

Title: Chief Financial Officer

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**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

**FORTRESS CREDIT INVESTMENTS I LTD.**

By: /s/ Glenn P. Cummins

Name: Glenn P. Cummins

Title: Director

**FORTRESS CREDIT INVESTMENTS II LTD.**

By: /s/ Glenn P. Cummins

Name: Glenn P. Cummins

Title: Director

---

**LENDERS:**

By signing below, you have indicated your consent to the Second Amendment

Name of Institution:

**FORTRESS CREDIT OPPORTUNITIES I LP**

By: Fortress Credit Opportunities I GP LLC, its general partner

By: /s/ Glenn P. Cummins

Name: Glenn P. Cummins

Title: Chief Financial Officer

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

**MAGNOLIA FUNDING**

By: /s/ Irfan Ahmed

Name: Irfan Ahmed

Title: Authorized Signatory

By: \_\_\_\_\_ \*

Name:

Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to  
the Amendment

Name of Institution:

LANDMARK VIII CLO LTD.

By Aladdin Capital Management LLC as Manager

By: /s/ Christine M. Barto

Name: Christine M. Barto

Title: Authorized Signatory

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**LENDERS:**

By signing below, you have indicated your consent to  
the Amendment

Name of Institution:

LANDMARK IX CDO LTD.

By Aladdin Capital Management LLC as Manager

By: /s/ Christine M. Barto

Name: Christine M. Barto

Title: Authorized Signatory

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**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Aladdin Flexible Investment Fund SPC Series 2008-2

By: /s/ Christine M. Barto

Name: Christine M. Barto

Title: Authorized Signatory

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**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Prospero CLO II B.V.

By: /s/ Ronald M. Grobeck  
Name: Ronald M. Grobeck  
Title: Managing Director

By: \_\_\_\_\_\*  
Name:  
Title:

\* For institutions requiring two signature blocks.

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**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Veritas CLO I, LTD

By: /s/ Ronald M. Grobeck  
Name: Ronald M. Grobeck  
Title: Managing Director

By: \_\_\_\_\_\*  
Name:  
Title:

\* For institutions requiring two signature blocks.

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**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Veritas CLO II, LTD

By: /s/ Ronald M. Grobeck  
Name: Ronald M. Grobeck  
Title: Managing Director

By: \_\_\_\_\_\*  
Name:  
Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

ACAS CLO 2007-1, Ltd.,

By: American Capital Asset Management,  
LLC as Portfolio Manager

By: /s/ Mark Pelletier  
Name: Mark Pelletier  
Title: Authorized Signatory

By: \_\_\_\_\_\*  
Name:  
Title:

\* For institutions requiring two signature blocks.

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**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

FULTON FUNDING

By: /s/ Irfan Ahmed

Name: Irfan Ahmed

Title: Authorized Signatory

By: \_\_\_\_\_\*

Name:

Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

GLARKE FUNDING

By: /s/ Irfan Ahmed

Name: Irfan Ahmed

Title: Authorized Signatory

By: \_\_\_\_\_\*

Name:

Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Ares IIR CLO Ltd.

By: Ares CLO Management IIR, L.P.,  
Investment Manager

By: Ares CLO GP IIR, LLC,  
Its General Partner

By: /s/ Americo Cascella  
Name: Americo Cascella  
Title: Authorized Signatory

\* For institutions requiring two signature blocks.

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ARES IIIR/IVR CLO LTD.

By: ARES CLO MANAGEMENT IIIR/IVR, L.P.

By: ARES CLO GP IIIR/IVR, LLC, ITS GENERAL PARTNER

By: ARES MANAGEMENT LLC, ITS MANAGER

By: /s/ Americo Cascella

Name: Americo Cascella

Title: Authorized Signatory

Ares VR CLO Ltd.

By: Ares CLO Management VR, L.P.,  
Investment Manager

By: Ares CLO GP VR, LLC,  
Its General Partner

By: /s/ Americo Cascella

Name: Americo Cascella

Title: Authorized Signatory

\* For institutions requiring two signature blocks.

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Ares VIR CLO Ltd.

By: Ares CLO Management VIR, L.P.,  
Investment Manager

By: Ares CLO GP VIR, LLC,  
Its General Partner

By: /s/ Americo Cascella \_\_\_\_\_  
Name: Americo Cascella  
Title: Authorized Signatory

Ares VIII CLO Ltd.

By: Ares CLO Management VIII, L.P.,  
Investment Manager

By: Ares CLO GP VIII, LLC,  
Its General Partner

By: /s/ Americo Cascella \_\_\_\_\_  
Name: Americo Cascella  
Title: Authorized Signatory

\* For institutions requiring two signature blocks.

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Ares IX CLO Ltd.

By: Ares CLO Management IX, L.P.,  
Investment Manager

By: Ares CLO GP IX, LLC,  
Its General Partner

By: Ares Management LLC,  
Its Managing Member

By: /s/ Americo Cascella \_\_\_\_\_  
Name: Americo Cascella  
Title: Authorized Signatory

Ares X CLO Ltd.

By: Ares CLO Management X, L.P.,  
Investment Manager

By: Ares CLO GP X, LLC,  
Its General Partner

By: /s/ Americo Cascella \_\_\_\_\_  
Name: Americo Cascella  
Title: Authorized Signatory

\* For institutions requiring two signature blocks.

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ARES XI CLO Ltd.

By: ARES CLO MANAGEMENT XI, L.P.

By: ARES CLO GP XI, LLC, ITS GENERAL PARTNER

By: ARES MANAGEMENT LLC, ITS MANAGER

By: /s/ Americo Cascella

\_\_\_\_\_  
Name: Americo Cascella

Title: Authorized Signatory

ARES XII CLO LTD.

By: ARES CLO MANAGEMENT XII, L.P.

By: ARES CLO GP XII, LLC, ITS GENERAL PARTNER

By: ARES MANAGEMENT LLC, ITS MANAGER

By: /s/ Americo Cascella

\_\_\_\_\_  
Name: Americo Cascella

Title: Authorized Signatory

\* For institutions requiring two signature blocks.

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CONFLUENT 2 LIMITED

By: Ares Private Account Management I, L.P., as Sub-Manager

By: Ares Private Account Management I GP, LLC, as General Partner

By: Ares Management LLC, as Manager

By: /s/ Americo Cascella  
Name: Americo Cascella  
Title: Authorized Signatory

ARES ENHANCED CREDIT OPPORTUNITIES FUND LTD.

By: Ares Enhanced Credit Opportunities Fund Management, L.P.,

By: /s/ Americo Cascella  
Name: Americo Cascella  
Title: Authorized Signatory

\* For institutions requiring two signature blocks.

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ARES ENHANCED LOAN INVESTMENT STRATEGY IR LTD.

By: ARES ENHANCED LOAN MANAGEMENT IR, L.P., as Portfolio Manager

By: Ares Enhanced Loan IR GP, LLC, as its General Partner

By: Ares Management LLC, as its Manager

By: /s/ Americo Cascella

Name: Americo Cascella

Title: Authorized Signatory

ARES ENHANCED LOAN INVESTMENT STRATEGY II, LTD.

By: Ares Enhanced Loan Management II, L.P.,  
Investment Manager

By: Ares Enhanced Loan GP II, LLC  
Its General Partner

By: /s/ Americo Cascella

Name: Americo Cascella

Title: Authorized Signatory

\* For institutions requiring two signature blocks.

---

ARES ENHANCED LOAN INVESTMENT STRATEGY III, LTD.

By: ARES ENHANCED LOAN MANAGEMENT III, L.P.

By: ARES ENHANCED LOAN III GP, LLC, ITS GENERAL PARTNER

By: ARES MANAGEMENT LLC, ITS MANAGER

By: /s/ Americo Cascella

Name: Americo Cascella

Title: Authorized Signatory

FUTURE FUND BOARD OF GUARDIANS

By: Ares Enhanced Loan Investment Strategy Advisor IV, L.P., its investment manager

By: Ares Enhanced Loan Investment Strategy Advisor IV GP, LLC, its general partner

By: Ares Management LLC, its managing member

By: /s/ Americo Cascella

Name: Americo Cascella

Title: Authorized Signatory

\* For institutions requiring two signature blocks.

---

Global Loan Opportunity Fund B.V.

By: Ares Management Limited, its Portfolio Manager

By: /s/ Americo Cascella

Name: Americo Cascella  
Title: Authorized Signatory

Ares Institutional Loan Fund B.V.

By: Ares Management Limited, its investment advisor

By: /s/ Americo Cascella

Name: Americo Cascella  
Title: Authorized Signatory

\* For institutions requiring two signature blocks.

---

SEI INSTITUTIONAL INVESTMENTS TRUST ENHANCED LIBOR OPPORTUNITIES FUND

By: Ares Management LLC, as Portfolio Manager

By: /s/ Americo Cascella

Name: Americo Cascella

Title: Authorized Signatory

SEI INSTITUTIONAL MANAGED TRUST ENHANCED INCOME FUND

By: Ares Management LLC, as Portfolio Manager

By: /s/ Americo Cascella

Name: Americo Cascella

Title: Authorized Signatory

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your  
consent to the Amendment

Name of Institution:

ARCC Commercial Loan Trust 2006

By: /s/ Mitchell Goldstein

Name: Mitchell Goldstein

Title: Authorized Signatory

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Ivy Hill Middle Market Credit Fund, Ltd.

By: /s/ Ryan Cascade

Name: Ryan Cascade

Title: Duly Authorized Signatory

---



**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

OREGON PUBLIC EMPLOYEES  
RETIREMENT FUND

By: /s/ Mark Casanova  
Name: Mark Casanova  
Title: Authorized Signatory

By: \_\_\_\_\_  
Name:  
Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

ARTUS LOAN FUND 2007-I, LTD.  
BABSON CLO LTD. 2004-II  
BABSON CLO LTD. 2005-I  
BABSON CLO LTD. 2005-II  
BABSON CLO LTD. 2005-III  
BABSON CLO LTD. 2006-I  
BABSON CLO LTD. 2006-II  
BABSON CLO LTD. 2007-I  
BABSON CLO LTD. 2008-1  
BABSON CLO LTD. 2008-II  
BABSON LOAN OPPORTUNITY CLO LTD.  
OSPREY CDO 2006-1 LTD.  
SAPPHIRE VALLEY CDO I, LTD.  
SUFFIELD CLO, LIMITED  
By: Babson Capital Management LLC as  
Collateral Manager

By: /s/ Kenneth M. Gacevich  
Name: Kenneth M. Gacevich  
Title: Managing Director

BABSON CAPITAL LOAN PARTNERS I, L.P.  
By: Babson Capital Management LLC as  
Investment Manager

By: /s/ Kenneth M. Gacevich  
Name: Kenneth M. Gacevich  
Title: Managing Director

HOLLY INVESTMENT CORPORATION  
By: Babson Capital Management LLC as  
Investment Manager

By: /s/ Kenneth M. Gacevich  
Name: Kenneth M. Gacevich  
Title: Managing Director

---

OLYMPIC PARK, LTD.  
By: Babson Capital Management LLC as  
Investment Manager

By: /s/ Kenneth M. Gacevich \_\_\_\_\_  
Name: Kenneth M. Gacevich  
Title: Managing Director

VINACASA CLO, LTD.  
By: Babson Capital Management LLC as  
Collateral Servicer

By: /s/ Kenneth M. Gacevich \_\_\_\_\_  
Name: Kenneth M. Gacevich  
Title: Managing Director

XELO VII LIMITED  
By: Babson Capital Management LLC as Sub-Adviser

By: /s/ Kenneth M. Gacevich \_\_\_\_\_  
Name: Kenneth M. Gacevich  
Title: Managing Director

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

SWISS CAPITAL PRO LOAN LIMITED  
For and on Behalf of BNY Mellon Trust  
company (Ireland) Limited under power of attorney

By: /s/ Jason Harewood

\_\_\_\_\_  
Name: Jason Harewood

Title: Director

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:  
Bank of Montreal

By: /s/ Peter Konigsmann  
Name: Peter Konigsmann  
Title: Director

By: \_\_\_\_\_  
Name:  
Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Ariel Reinsurance Company Ltd.  
BlackRock Credit Investors Master Fund, L.P.  
BlackRock Floating Rate Income Trust  
BlackRock Defined Opportunity Credit Trust  
BlackRock Fixed Income Value Opportunities Trust  
The Broad Institute, Inc  
Master Senior Floating Rate LLC  
Missouri State Employees' Retirement System  
Senior Loan Portfolio  
BlackRock Senior Floating Rate Portfolio  
BlackRock Senior Income Series  
BlackRock Senior Income Series IV  
BlackRock Senior Income Series V Limited  
Magnetite V CLO, Limited

By: /s/ Ann Marie Smith

Name: Ann Marie Smith

Title: Authorized Signatory

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

BCI 1 LOAN FUNDNG LLC

By: /s/ Lynette Skrehot

Name: Lynette Skrehot

Title: Director

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

LAFAYETTE SQUARE CDO LTD.  
By: Blackstone Debt Advisors L.P.  
as Collateral Manager

By: /s/ Dean T. Criares \_\_\_\_\_  
Name: Dean T. Criares  
Title: Authorized Signatory

---



**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

INWOOD PARK CDO LTD.  
By: Blackstone Debt Advisors L.P.  
as Collateral Manager

By: /s/ Dean T. Criares  
Name: Dean T. Criares  
Title: Authorized Signatory

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

MONUMENT PARK CDO LTD.  
By: Blackstone Debt Advisors L.P.  
as Collateral Manager

By: /s/ Dean T. Criares

Name: Dean T. Criares

Title: Authorized Signatory

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

LOAN FUNDING VI LLC,  
for itself or as agent for Corporate Loan Funding VI LLC

By: /s/ Dean T. Criares

Name: Dean T. Criares

Title: Authorized Signatory

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

RIVERSIDE PARK CLO LTD.

By: GSO / Blackstone Debt Funds Management LLC  
as Collateral Manager

By: /s/ Lee M. Shaiman

Name: Lee M. Shaiman

Title: Authorized Signatory

---

**LENDERS:**

By signing below, you have indicated your  
consent to the Amendment

Name of Institution:

CHELSEA PARK CLO LTD.

By: GSO / Blackston Debt Funds Management LLC  
as Collateral Manager

By: /s/ Lee M. Shaiman

Name: Lee M. Shaiman

Title: Authorized Signatory

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

GALE FORCE 4 CLO, LTD.

By: GSO / Blackstone Debt Funds Management LLC  
as Collateral Manager

By: /s/ Lee M. Shaiman

Name: Lee M. Shaiman

Title: Authorized Signatory

---

**LENDERS:**

By signing below, you have indicated your  
consent to the Amendment

Name of Institution:

GALE FORCE 3 CLO, LTD.

By: GSO / Blackstone Debt Funds Management LLC  
as Collateral Manager

By: /s/ Lee M. Shaiman

Name: Lee M. Shaiman

Title: Authorized Signatory

---

**LENDERS:**

By signing below, you have indicated your  
consent to the Amendment

Name of Institution:

GALE FORCE 2 CLO, LTD.  
By GSO / Blackstone Debt Funds Management LLC  
as Collateral Manager

By: /s/ Lee M. Shaiman

Name: Lee M. Shaiman

Title: Authorized Signatory

---



**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

**Sunsuper Pooled Superannuation Trust**

By: GSO Capital Partners LP, its Investment Manager

By: /s/ Lee M. Shaiman

Name: Lee M. Shaiman

Title: Authorized Signatory

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Sun Life Assurance Company of Canada (US)  
By: GSO CP Holdings LP as Sub-Advisor

By: /s/ Lee M. Shaiman

Name: Lee M. Shaiman

Title: Authorized Signatory

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

HUDSON STRAITS CLO 2004, LTD.

By: GSO / Blackstone Debt Funds Management LLC as Collateral Manager

By: /s/ Lee M. Shaiman

Name: Lee M. Shaiman

Title: Authorized Signatory

---

**LENDERS:**

By signing below, you have indicated your  
consent to the Amendment

Name of Institution:

FRIEDBERGMILSTEIN PRIVATE CAPITAL FUND I  
By: GSO / Blackstone Debt Funds Management LLC as  
Subadviser to FriedbergMilstein LLC

By: /s/ Lee M. Shaiman

Name: Lee M. Shaiman

Title: Authorized Signatory

---

**LENDERS:**

By signing below, you have indicated your  
consent to the Amendment

Name of Institution:

TRIBECA PARK CLO LTD.

By: GSO / Blackstone Debt Funds Management LLC  
as Collateral Manager

By: /s/ Lee M. Shaiman

Name: Lee M. Shaiman

Title: Authorized Signatory

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Citron Investment Corporation  
By GSO Capital Partners LP as Manager

By: /s/ Lee M. Shaiman

Name: Lee M. Shaiman

Title: Authorized Signatory

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

CIM VI, L.L.C.  
By GSO Capital Partners LP as Manager

By: /s/ Lee M. Shaiman  
Name: Lee M. Shaiman  
Title: Authorized Signatory

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

GSO Co-Investment Partners, LLC  
By GSO Capital Partners LP as Manager

By: /s/ Lee M. Shaiman

Name: Lee M. Shaiman

Title: Authorized Signatory

---



**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

**BLT 18 LLC**

By: /s/ Douglas DiBella

Name: Douglas DiBella

Title: Authorized Signatory

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

CapitalSource Bank

By: /s/ Robert Dailey

Name: Robert Dailey

Title: Banking Officer

By: \_\_\_\_\_ \*

Name:

Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Churchill Financial Cayman Ltd,  
by: Churchill Financial LLC, as its Collateral Manager

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

By: \_\_\_\_\_\*  
Name:  
Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Main Street Capital Corporation

By: /s/ Rodger Stout

Name: Rodger Stout

Title: Senior Vice President & Treasurer

By: \_\_\_\_\_\*

Name:

Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Cratos CLO I Ltd.

As a Lender

By: Cratos CDO Management, LLC

As Attorney-in-Fact

By: Cratos Capital Partners, LLC  
Its Manager Ron Banks

/s/ Ron Banks

Name: Ron Banks

Title: Managing Director

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Atrium II

By: /s/ David H. Lerner

Name: David H. Lerner

Title: Authorized Signatory

By: \_\_\_\_\_\*

Name:

Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Atrium IV

By: /s/ David H. Lerner

Name: David H. Lerner

Title: Authorized Signatory

By: \_\_\_\_\_ \*

Name:

Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Atrium V

By: Credit Suisse Alternative Capital, Inc., as collateral manager

By: /s/ David H. Lerner

Name: David H. Lerner

Title: Authorized Signatory

By: \_\_\_\_\_\*

Name:

Title:

\* For institutions requiring two signature blocks.

---



**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

CSAM Funding IV

By: /s/ David H. Lerner

Name: David H. Lerner

Title: Authorized Signatory

By: \_\_\_\_\_ \*

Name:

Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Credit Suisse Syndicated Loan Fund

By: Credit Suisse Alternative Capital, Inc., as Agent (Subadvisor) for Credit Suisse Asset Management (Australia) Limited, the Responsible Entity for Credit Suisse Syndicated Loan Fund

By: /s/ David H. Lerner

Name: David H. Lerner

Title: Authorized Signatory

By: \_\_\_\_\_ \*

Name:

Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Madison Park Funding I, Ltd,

By: /s/ David H. Lerner

Name: David H. Lerner

Title: Authorized Signatory

By: \_\_\_\_\_ \*

Name:

Title:

\* For institutions requiring two signature blocks.

---

LENDERS:

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Madison Park Funding II Ltd,  
By Credit Suisse Alternative Capital,  
Inc. as collateral manager

By: /s/ David H. Lerner

Name: David H. Lerner

Title: Authorized Signatory

By: \_\_\_\_\_ \*

Name:

Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Castle Garden Funding

By: /s/ David H. Lerner

Name: David H. Lerner

Title: Authorized Signatory

By: \_\_\_\_\_ \*

Name:

Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

GoldenTree Capital Opportunities, LP  
By: GoldenTree Asset Management, LP

By: /s/ Karen Weber

Name: Karen Weber

Title: Director — Bank Debt

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

GoldenTree Loan Opportunities III, Limited  
By: GoldenTree Asset Management, LP

By: /s/ Karen Weber

Name: Karen Weber

Title: Director — Bank Debt

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

GoldenTree Loan Opportunities IV, Limited  
By: GoldenTree Asset Management, LP

By: /s/ Karen Weber

Name: Karen Weber

Title: Director — Bank Debt

---



**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

GoldenTree Loan Opportunities V, Limited  
By: GoldenTree Asset Management, LP

By: /s/ Karen Weber

Name: Karen Weber

Title: Director — Bank Debt

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

LINCOLN S.A.R.L. SOCIETE A RESPONSABILITE LIMITEE,

By: Highbridge Leveraged Loan Partners Master Fund, L.P. as Portfolio Manager

By: Highbridge Capital Management, LLC as Trading Manager

By: /s/ Marc Creatore

Name: Marc Creatore

Title: Director of Operations

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

**ALZETTE EUROPEAN CLO S.A.**  
By: INVESCO Senior Secured Management, Inc.  
As Collateral Manager

By: /s/ Thomas Ewald  
Name: Thomas Ewald  
Title: Authorized Signatory

By: \_\_\_\_\_  
Name:  
Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

AVALON CAPITAL LTD. 3  
By: INVESCO Senior Secured Management, Inc.  
As Asset Manager

By: /s/ Thomas Ewald  
Name: Thomas Ewald  
Title: Authorized Signatory

By: \_\_\_\_\_  
Name:  
Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

**CHAMPLAIN CLO, LTD.**

By: INVESCO Senior Secured Management, Inc.  
As Collateral Manager

By: /s/ Thomas Ewald  
Name: Thomas Ewald  
Title: Authorized Signatory

By: \_\_\_\_\_  
Name:  
Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

CHARTER VIEW PORTFOLIO  
By: INVESCO Senior Secured Management Inc.  
As Investment Advisor

By: /s/ Thomas Ewald  
Name: Thomas Ewald  
Title: Authorized Signatory

By: \_\_\_\_\_  
Name:  
Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

DIVERSIFIED CREDIT PORTFOLIO LTD.  
By: INVESCO Senior Secured Management, Inc.  
as Investment Adviser

By: /s/ Thomas Ewald  
Name: Thomas Ewald  
Title: Authorized Signatory

By: \_\_\_\_\_  
Name:  
Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

**HUDSON CANYON FUNDING II, LTD**

By: INVESCO Senior Secured Management, Inc.  
As Collateral Manager & Attorney InFact

By: /s/ Thomas Ewald

Name: Thomas Ewald

Title: Authorized Signatory

By: \_\_\_\_\_ \*

Name:

Title:

\* For institutions requiring two signature blocks.

---



**LENDERS:**

By signing below, you have indicated your consent to the Amendment

**LIMEROCK CLO I**

By: INVESCO Senior Secured Management, Inc.  
As Investment Manager

By: /s/ Thomas Ewald  
Name: Thomas Ewald  
Title: Authorized Signatory

By: \_\_\_\_\_  
Name:  
Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

**MOSELLE CLO S.A.**

By: INVESCO Senior Secured Management, Inc.  
As Collateral Manager

By: /s/ Thomas Ewald  
Name: Thomas Ewald  
Title: Authorized Signatory

By: \_\_\_\_\_  
Name:  
Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

**NAUTIQUE FUNDING LTD.**

By: INVESCO Senior Secured Management, Inc.  
As Collateral Manager

By: /s/ Thomas Ewald  
Name: Thomas Ewald  
Title: Authorized Signatory

By: \_\_\_\_\_  
Name:  
Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

**SAGAMORE CLO LTD.**

By: INVESCO Senior Secured Management, Inc.  
As Collateral Manager

By: /s/ Thomas Ewald  
Name: Thomas Ewald  
Title: Authorized Signatory

By: \_\_\_\_\_  
Name:  
Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

**SARATOGA CLO I, LIMITED**

By: INVESCO Senior Secured Management, Inc.  
As the Asset Manager

By: /s/ Thomas Ewald  
Name: Thomas Ewald  
Title: Authorized Signatory

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

**WASATCH CLO LTD**

By: INVESCO Senior Secured Management, Inc.  
As Portfolio Manager

By: /s/ Thomas Ewald  
Name: Thomas Ewald  
Title: Authorized Signatory

By: \_\_\_\_\_  
Name:  
Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

**CELTS CLO 2007-1 LTD**

By: INVESCO Senior Secured Management, Inc.  
As Portfolio Manager

By: /s/ Thomas Ewald  
Name: Thomas Ewald  
Title: Authorized Signatory

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your  
consent to the Amendment

Name of Institution:

**Grand Central Asset Trust, Cameron I Series**

By: /s/ Patrick W. Reichart

Name: Patrick W. Reichart

Title: Attorney In Fact

---



**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Venture VIII CDO, Limited  
By its investment advisor,  
MJX Asset Management LLC

By: /s/ Martin Davey  
Name: Martin Davey  
Title: Managing Director

By: \_\_\_\_\_  
Name:  
Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Morgan Stanley Investment  
Management Garda B.V.  
By: Morgan Stanley Investment Management  
Limited as Collateral Manager

By: /s/ Robert Drobny  
Name: Robert Drobny  
Title: Executive Director

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Morgan Stanley Investment  
Management Coniston B.V.  
By: Morgan Stanley Investment Management  
Limited as Collateral Manager

By: /s/ Robert Drobny  
Name: Robert Drobny  
Title: Executive Director

By: \_\_\_\_\_  
Name:  
Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Morgan Stanley Investment  
Management Mezzano B.V.  
Signed By: Morgan Stanley Investment  
Management Limited as Collateral Manager

By: /s/ Robert Drobny  
Name: Robert Drobny  
Title: Executive Director

By: \_\_\_\_\_  
Name:  
Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

**Zodiac Fund — Morgan Stanley US  
Senior Loan Fund**

By: Morgan Stanley Investment Management Inc. as Investment Manager

By: /s/ Robert Drobny

Name: Robert Drobny

Title: Executive Director

By: \_\_\_\_\_ \*

Name:

Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

**VAN KAMPEN  
SENIOR INCOME TRUST**  
By: Van Kampen Asset Management

By: /s/ Robert Drobny  
Name: Robert Drobny  
Title: Executive Director

By: \_\_\_\_\_  
Name:  
Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

**VAN KAMPEN  
SENIOR LOAN FUND**

By: Van Kampen Asset Management

By: /s/ Robert Drobny

Name: Robert Drobny

Title: Executive Director

By: \_\_\_\_\_\*

Name:

Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

QUALCOMM Global Trading, Inc.

By: Morgan Stanley Investment  
Management Inc. as Investment Manager

By: /s/ Robert Drobny  
Name: Robert Drobny  
Title: Executive Director

By: \_\_\_\_\_  
Name:  
Title:

\* For institutions requiring two signature blocks.

---



**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

**Morgan Stanley Prime Income Trust**

By: /s/ Robert Drobny

Name: Robert Drobny

Title: Executive Director

By: \_\_\_\_\_ \*

Name:

Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

**MSIM Peconic Bay, Ltd.**

By: Morgan Stanley Investment Management Inc. as Collateral Manager

By: /s/ Robert Drobny  
Name: Robert Drobny  
Title: Executive Director

By: \_\_\_\_\_ \*  
Name:  
Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

NATIXIS

By: /s/ Edward N. Parkes IV  
Name: Edward N. Parkes IV  
Title: Director

By: /s/ Harold Birk  
Name: Harold Birk  
Title: Managing Director

---

**LENDERS:**

By signing below, you have indicated your  
consent to the Amendment

Name of Institution:

Natixis COF I, LLC

By: /s/ Ray Meyer

Name: Ray Meyer

Title: Director

By: /s/ Patrick Owens

Name: Patrick Owens

Title: Managing Director

---

**By signing below, you have indicated your Consent to the Amendment**

**Oaktree Senior Loan Fund L.P.**

By: Oaktree Senior Loan fund GP, L.P.  
Its: General Partner

By: Oaktree Fund GP II, L.P.  
Its: General Partner

/s/ Desmond Shirazi

Name: Desmond Shirazi  
Title: Authorized Signatory

/s/ William Melanson

Name: William Melanson  
Title: Vice President

---

**By signing below, you have indicated your Consent to the Amendment**

**Oaktree TT Multi-Strategy Fund, L.P.**

By: Oaktree TT Multi-Strategy Fund GP, L.P.  
Its: General Partner

By: Oaktree Fund GP, LLC  
Its: General Partner

By: Oaktree Fund 1, L.P.  
Its: Managing Member

/s/ Desmond Shirazi  
Name: Desmond Shirazi  
Title: Authorized Signatory

/s/ William Melanson  
Name: William Melanson  
Title: Vice President

---

By signing below, you have indicated your  
Consent to the Amendment

**The Public Education Employee Retirement System  
of Missouri**

By: Oaktree Capital Management, L.P.  
Its: Investment Manager

/s/ Desmond Shirazi  
\_\_\_\_\_  
Name: Desmond Shirazi  
Title: Authorized Signatory

/s/ William Melanson  
\_\_\_\_\_  
Name: William Melanson  
Title: Vice President

---

By signing below, you have indicated your  
Consent to the Amendment

**The Public School Retirement System  
of Missouri**

By: Oaktree Capital Management, L.P.  
Its: Investment Manager

/s/ Desmond Shirazi  
\_\_\_\_\_  
Name: Desmond Shirazi  
Title: Authorized Signatory

/s/ William Melanson  
\_\_\_\_\_  
Name: William Melanson  
Title: Vice President

---



**By signing below, you have indicated your  
Consent to the Amendment**

**The Delaware Public Employees' Retirement System**

By: Oaktree Capital Management, L.P.  
Its: Investment Manager

/s/ Desmond Shirazi  
\_\_\_\_\_  
Name: Desmond Shirazi  
Title: Authorized Signatory

/s/ William Melanson  
\_\_\_\_\_  
Name: William Melanson  
Title: Vice President

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Oppenheimer Master Loan Fund, LLC

By: /s/ Jeff Schwartz

Name: Jeff Schwartz

Title: Assistant Vice President

By: \_\_\_\_\_\*

Name:

Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

COMSTOCK FUNDING LTD.  
By: Silvermine Capital Management LLC  
As Investment Manager

By: /s/ Jonathan J. Marks  
Name: Jonathan J. Marks  
Title: Principal  
Silvermine Capital Management, LLC

By: \_\_\_\_\_  
Name:  
Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

GREENS CREEK FUNDING LTD.  
By: Silvermine Capital Management,  
LLC as Investment Manager

By: /s/ Jonathan J. Marks  
Name: Jonathan J. Marks  
Title: Principal  
Silvermine Capital Management, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:  
CANNINGTON FUNDING LTD.  
By: Silvermine Capital Management, LLC  
as Investment Manager

By: /s/ Jonathan J. Marks  
Name: Jonathan J. Marks  
Title: Principal  
Silvermine Capital Management, LLC

By: \_\_\_\_\_  
Name:  
Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

ECP CLO 2008-1, LTD  
Silvermine Capital Management LLC  
As Portfolio Manager

By: /s/ Jonathan J. Marks  
Name: Jonathan J. Marks  
Title: Principal  
Silvermine Capital Management, LLC

By: \_\_\_\_\_\*  
Name:  
Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Comerstone CLO Ltd.  
By Stone Tower Debt Advisors LLC,  
As its Collateral Manager

By: /s/ Michael W. DelPercio  
Name: Michael W. DelPercio  
Title: Authorized Signatory

By: \_\_\_\_\_\*  
Name:  
Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Granite Ventures II Ltd.  
By Stone Tower Debt Advisors LLC,  
As its Collateral Manager

By: /s/ Michael W. DelPercio  
Name: Michael W. DelPercio  
Title: Authorized Signatory

By: \_\_\_\_\_\*  
Name:  
Title:

\* For institutions requiring two signature blocks.

---



**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Granite Ventures III Ltd.  
By Stone Tower Debt Advisors LLC,  
As its Collateral Manager

By: /s/ Michael W. DelPercio  
Name: Michael W. DelPercio  
Title: Authorized Signatory

By: \_\_\_\_\_\*  
Name:  
Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Rampart CLO 2007 Ltd.  
By Stone Tower Debt Advisors LLC,  
As its Collateral Manager

By: /s/ Michael W. DelPercio  
Name: Michael W. DelPercio  
Title: Authorized Signatory

By: \_\_\_\_\_\*  
Name:  
Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Rampart CLO 2006-1 Ltd.  
By Stone Tower Debt Advisors LLC,  
As its Collateral Manager

By: /s/ Michael W. DelPercio  
Name: Michael W. DelPercio  
Title: Authorized Signatory

By: \_\_\_\_\_\*  
Name:  
Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Stone Tower CLO III Ltd.  
By Stone Tower Debt Advisors LLC,  
As its Collateral Manager

By: /s/ Michael W. DelPercio  
Name: Michael W. DelPercio  
Title: Authorized Signatory

By: \_\_\_\_\_ \*  
Name:  
Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Stone Tower CLO IV Ltd.  
By Stone Tower Debt Advisors LLC,  
As its Collateral Manager

By: /s/ Michael W. DelPercio  
Name: Michael W. DelPercio  
Title: Authorized Signatory

By: \_\_\_\_\_ \*  
Name:  
Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Stone Tower CLO V Ltd.  
By Stone Tower Debt Advisors LLC,  
As its Collateral Manager

By: /s/ Michael W. DelPercio  
Name: Michael W. DelPercio  
Title: Authorized Signatory

By: \_\_\_\_\_ \*  
Name:  
Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Stone Tower CLO VI Ltd.  
By Stone Tower Debt Advisors LLC,  
As its Collateral Manager

By: /s/ Michael W. DelPercio  
Name: Michael W. DelPercio  
Title: Authorized Signatory

By: \_\_\_\_\_ \*  
Name:  
Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Stone Tower CLO VII Ltd.  
By Stone Tower Debt Advisors LLC,  
As its Collateral Manager

By: /s/ Michael W. DelPercio  
Name: Michael W. DelPercio  
Title: Authorized Signatory

By: \_\_\_\_\_ \*  
Name:  
Title:

\* For institutions requiring two signature blocks.

---



**LENDERS:**

By signing below, you have indicated your consent to the Amendment

Name of Institution:

Stone Tower Credit Funding I Ltd.  
By Stone Tower Fund Management LLC,  
As its Collateral Manager

By: /s/ Michael W. DelPercio,  
Name: Michael W. DelPercio,  
Title: Authorized Signatory

By: \_\_\_\_\_ \*  
Name:  
Title:

\* For institutions requiring two signature blocks.

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

**WEST BEND MUTUAL INSURANCE COMPANY**

By: TCW Asset Management Company, as its  
Investment Advisor

By: /s/ Edison Hwang

Name: Edison Hwang  
Title: Vice President

By: /s/ Gil Tollinchi

Name: Gil Tollinchi  
Title: Senior Vice President

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

**CELERITY CLO LTD.**

By: TCW Asset Management Company,  
as Agent

By: /s/ Edison Hwang

Name: Edison Hwang  
Title: Vice President

By: /s/ Gil Tollinchi

Name: Gil Tollinchi  
Title: Senior Vice President

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

**FARAKER INVESTMENT PTE LTD.**

By: TCW Asset Management Company,  
as Manager

By: /s/ Edison Hwang

Name: Edison Hwang  
Title: Vice President

By: /s/ Gil Tollinchi

Name: Gil Tollinchi  
Title: Senior Vice President

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

**FIRST 2004-I CLO, LTD.**

By: TCW Asset Management Company,  
its Collateral Manager

By: /s/ Edison Hwang

Name: Edison Hwang  
Title: Vice President

By: /s/ Gil Tollinchi

Name: Gil Tollinchi  
Title: Senior Vice President

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

**FIRST 2004-II CLO, LTD.**

By: TCW Asset Management Company,  
as its Collateral Manager

By: /s/ Edison Hwang \_\_\_\_\_

Name: Edison Hwang

Title: Vice President

By: /s/ Gil Tollinchi \_\_\_\_\_

Name: Gil Tollinchi

Title: Senior Vice President

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

**ILLINOIS STATE BOARD OF INVESTMENT**

By: TCW Asset Management Company,  
as its Investment Advisor

By: /s/ Edison Hwang

Name: Edison Hwang  
Title: Vice President

By: /s/ Gil Tollinchi

Name: Gil Tollinchi  
Title: Senior Vice President

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

**MOMENTUM CAPITAL FUND, LTD.**

By: TCW Asset Management Company  
as its Portfolio Manager

By: /s/ Edison Hwang

Name: Edison Hwang  
Title: Vice President

By: /s/ Gil Tollinchi

Name: Gil Tollinchi  
Title: Senior Vice President

---



**LENDERS:**

By signing below, you have indicated your consent to the Amendment

**PARK AVENUE LOAN TRUST**

By: TCW Asset Management Company,  
as Agent

By: /s/ Edison Hwang \_\_\_\_\_

Name: Edison Hwang

Title: Vice President

By: /s/ Gil Tollinchi \_\_\_\_\_

Name: Gil Tollinchi

Title: Senior Vice President

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

**RGA Reinsurance Company**  
By: TCW Asset Management Company  
as its Investment Advisor

By: /s/ Edison Hwang  
Name: Edison Hwang  
Title: Vice President

By: /s/ Gil Tollinchi  
Name: Gil Tollinchi  
Title: Senior Vice President

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

**TCW Credit Opportunities Fund, L.P.**

By: TCW Asset Management Company  
as Manager

By: /s/ Edison Hwang

\_\_\_\_\_  
Name: Edison Hwang

Title: Vice President

By: /s/ Gil Tollinchi

\_\_\_\_\_  
Name: Gil Tollinchi

Title: Senior Vice President

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

**TCW Senior Secured Floating Rate Loan Fund, L.P.**

By: TCW Asset Management Company as its Investment

By: /s/ Edison Hwang

\_\_\_\_\_  
Name: Edison Hwang

Title: Vice President

By: /s/ Gil Tollinchi

\_\_\_\_\_  
Name: Gil Tollinchi

Title: Senior Vice President

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

**TCW Senior Secured Loan Fund, LP**

By: TCW Asset Management Company, as its  
Investment Advisor

By: /s/ Edison Hwang

Name: Edison Hwang

Title: Vice President

By: /s/ Gil Tollinchi

Name: Gil Tollinchi

Title: Senior Vice President

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

**VELOCITY CLO LTD.**

By: TCW Asset Management Company,  
as Collateral Manager

By: /s/ Edison Hwang

\_\_\_\_\_  
Name: Edison Hwang  
Title: Vice President

By: /s/ Gil Tollinchi

\_\_\_\_\_  
Name: Gil Tollinchi  
Title: Senior Vice President

---

**LENDERS:**

By signing below, you have indicated your consent to the Amendment

**VITESSE CLO LTD.**

By: TCW Asset Management Company as its  
Portfolio Manager

By: /s/ Edison Hwang

Name: Edison Hwang  
Title: Vice President

By: /s/ Gil Tollinchi

Name: Gil Tollinchi  
Title: Senior Vice President

---





\$1,305,000,000

CREDIT AGREEMENT

among

BOOZ ALLEN HAMILTON INVESTOR CORPORATION  
(f/k/a EXPLORER INVESTOR CORPORATION),

BOOZ ALLEN HAMILTON INC.,  
as the Borrower,

The Several Lenders from Time to Time Parties Hereto,

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH,  
(f/k/a CREDIT SUISSE)  
as Administrative Agent and Collateral Agent,

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH,  
(f/k/a CREDIT SUISSE)  
as Issuing Lender,

BANC OF AMERICA SECURITIES LLC,  
and

CREDIT SUISSE SECURITIES (USA) LLC,  
as Joint Lead Arrangers,

and

BANC OF AMERICA SECURITIES LLC,  
CREDIT SUISSE SECURITIES (USA) LLC,  
BARCLAYS CAPITAL,

GOLDMAN SACHS CREDIT PARTNERS L.P.,

and

MORGAN STANLEY SENIOR FUNDING, INC.,  
as Joint Bookrunners

and

SUMITOMO MITSUI BANKING CORPORATION,  
as Co-Manager

Dated as of July 31, 2008

and

Amended and Restated as of December 11, 2009

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- 7.3(f) Existing Liens
- 7.7 Existing Investments
- 7.12 Existing Negative Pledge Clauses

EXHIBITS:

- A Form of Guarantee and Collateral Agreement
- B Form of Compliance Certificate
- C Form of Closing Certificate
- D Form of Assignment and Assumption
- E-1 Form of Legal Opinion of Debevoise & Plimpton LLP
- E-2 Form of Legal Opinion of Morris, Nichols, Arsht & Tunnell LLP
- F Form of Exemption Certificate
- G Form of Solvency Certificate
- H Form of Joinder Agreement
- I Form of Prepayment Option Notice
- J-1 Form of Tranche A Term Loan Note
- J-2 Form of Tranche B Term Loan Note
- J-3 Form of Revolving Note
- J-4 Form of Tranche C Term Loan Note

CREDIT AGREEMENT, dated as of July 31, 2008 and amended and restated as of December 11, 2009, among BOOZ ALLEN HAMILTON INVESTOR CORPORATION (f/k/a EXPLORER INVESTOR CORPORATION), a Delaware corporation (“Holdings”), BOOZ ALLEN HAMILTON INC., a Delaware corporation (the “Company,” or the “Borrower”), the several banks and other financial institutions or entities from time to time parties to this Agreement (the “Lenders”), CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH (f/k/a CREDIT SUISSE), as Administrative Agent and Collateral Agent, CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH (f/k/a CREDIT SUISSE), as Issuing Lender, BANC OF AMERICA SECURITIES LLC and CREDIT SUISSE SECURITIES (USA) LLC, as joint lead arrangers, BANC OF AMERICA SECURITIES LLC, CREDIT SUISSE SECURITIES (USA) LLC, BARCLAYS CAPITAL, the investment banking division of Barclays Bank PLC, GOLDMAN SACHS CREDIT PARTNERS L.P., and MORGAN STANLEY SENIOR FUNDING, INC., as joint bookrunners and SUMITOMO MITSUI BANKING CORPORATION, as co-manager.

WHEREAS, pursuant to that certain credit agreement, dated as of July 31, 2008 (the “Existing Credit Agreement”), among Holdings, the Initial Borrower, the Borrower, the Lenders, the Agents, and the other parties thereto, the Lenders extended, and agreed to extend, credit to the Borrower, and

WHEREAS, Holdings, the Borrower, the Lenders and the Agents have entered into the First Amendment pursuant to which, subject to the conditions set forth therein (a) the Tranche C Term Lenders have agreed to make Tranche C Term Loans to the Borrower in an aggregate principal amount equal to \$350,000,000, (b) the Additional Revolving Lenders have agreed to provide Additional Revolving Commitments in an aggregate amount equal to \$145,000,000 and (c) Holdings, the Borrower, the Lenders and the Agents have agreed to amend and restate the Existing Credit Agreement in the form of this Agreement,

NOW, THEREFORE, the parties hereto hereby agree as follows:

#### SECTION 1. DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the terms listed in this Section 1.1 shall have the respective meanings set forth in this Section 1.1.

“ABR”: for any day, a rate per annum equal to the greater of (a) the Prime Rate in effect on such day and (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. For purposes hereof: “Prime Rate” means the prime commercial lending rate of the Administrative Agent as established from time to time in its principal U.S. office, as in effect from time to time. Any change in the ABR due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective as of the opening of business on the effective day of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

“ABR Loans”: Loans the rate of interest applicable to which is based upon the ABR.

“Accounting Changes”: as defined in Section 10.16.

“Acquisition”: as defined in the definition of “Permitted Acquisition”.

“Act”: as defined in Section 10.18.

**“Additional Revolving Commitment”**: with respect to any Revolving Lender, the new or additional Revolving Commitment provided by such Revolving Lender on the Amendment and Restatement Effective Date in the amount set forth under the heading “Additional Revolving Commitment” opposite such Lender’s name on Schedule 2.1A. The aggregate amount of the Additional Revolving Commitments is \$145,000,000.

**“Additional Revolving Lender”**: each Lender that has an Additional Revolving Commitment.

**“Administrative Agent”**: Credit Suisse AG, Cayman Islands Branch (f/k/a Credit Suisse), as the administrative agent for the Lenders under this Agreement and the other Loan Documents, together with any of its successors and permitted assigns in such capacity in accordance with Section 9.9.

**“Affiliate”**: as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, “control” of a Person means the power, directly or indirectly to direct or cause the direction of the management and policies of such Person, in either case whether by contract or otherwise.

**“Agents”**: the collective reference to the Collateral Agent and the Administrative Agent, and for purposes of Sections 10.13 and 10.14, the Lead Arrangers, Joint Bookrunners and Co-Manager.

**“Aggregate Exposure”**: with respect to any Lender at any time, an amount equal to (a) until the Closing Date, the aggregate amount of such Lender’s Commitments at such time and (b) thereafter, the sum of (i) the aggregate then unpaid principal amount of such Lender’s Term Loans, (ii) the aggregate amount of such Lender’s Revolving Commitments then in effect or, if the Revolving Commitments have been terminated, the amount of such Lender’s Revolving Extensions of Credit then outstanding and (iii) the aggregate amount of such Lender’s New Loan Commitments then in effect, or if such New Loan Commitments have been terminated, the amount of such Lender’s New Loans.

**“Aggregate Exposure Percentage”**: with respect to any Lender at any time, the ratio (expressed as a percentage) of such Lender’s Aggregate Exposure at such time to the total Aggregate Exposures of all Lenders at such time.

**“Agreed Purposes”**: as defined in Section 10.14.

**“Agreement”**: this Credit Agreement, as amended and restated as of December 11, 2009, and as further amended, restated, amended and restated, supplemented or otherwise modified from time to time.

**“AHYDO Payments”**: “applicable high yield discount obligations” (within the meaning of Section 163(i)(1) of the Code) “catch-up” payments in respect of any Indebtedness (including the Mezzanine Loans, any Permitted Subordinated Indebtedness and any Indebtedness incurred pursuant to Section 7.2(v)) the incurrence of which is not otherwise prohibited hereunder to the extent such Indebtedness provides for the payment of interest on all or any portion of the principal amount of such Indebtedness by adding such interest to the principal amount thereof.

**“Amendment and Restatement Effective Date”**: December 11, 2009.

**“Annual Operating Budget”**: as defined in Section 6.2(c).

“Applicable Period”: as defined in Section 10.19.

“Applicable Margin” or “Applicable Commitment Fee Rate”: for any day, with respect to (i) the Loans (including any Swingline Loan) under the Revolving Facility and the Tranche A Term Loan Facility, and the commitment fee payable hereunder, the applicable rate per annum determined pursuant to the Pricing Grid, (ii) the Loans under the Tranche B Term Loan Facility, in the case of the Applicable Margin, 3.50% with respect to Tranche B Term Loans that are ABR Loans and 4.50% with respect to Tranche B Term Loans that are Eurocurrency Loans and (iii) the Loans under the Tranche C Term Loan Facility, in the case of the Applicable Margin, 3.00% with respect to Tranche C Term Loans that are ABR Loans and 4.00% with respect to Tranche C Term Loans that are Eurocurrency Loans; provided that from the Closing Date until the next change in the Applicable Margin or Applicable Commitment Fee Rate in accordance with the Pricing Grid (a) the Applicable Margin shall be 3.00% with respect to Tranche A Term Loans, Revolving Loans that are ABR Loans and Swingline Loans and 4.00% with respect to Tranche A Term Loans and Revolving Loans that are Eurocurrency Loans and (b) the Applicable Commitment Fee Rate shall be 0.50%.

“Application”: an application, in such form as the relevant Issuing Lender may specify from time to time, requesting such Issuing Lender to open a Letter of Credit.

“Approved Fund”: as defined in Section 10.6(b).

“Asset Sale”: any Disposition of Property or series of related Dispositions of Property by the Borrower or any of its Restricted Subsidiaries not in the ordinary course of business (a) under Section 7.5(e) or (p) or (b) not otherwise permitted under Section 7.5, in each case, which yields Net Cash Proceeds (valued at the initial principal amount thereof in the case of non-cash proceeds consisting of notes or other debt securities and valued at fair market value in the case of other non-cash proceeds) in excess of \$1,000,000.

“Assignee”: as defined in Section 10.6(b).

“Assignment and Assumption”: an Assignment and Assumption, substantially in the form of Exhibit D.

“Available Amount”: as at any date, the sum of, without duplication:

(a) \$10,000,000;

(b) the aggregate cumulative amount, not less than zero, of 50% of Excess Cash Flow for each fiscal year beginning with the fiscal year ending March 31, 2010;

(c) the Net Cash Proceeds received after the Closing Date and on or prior to such date from any Equity Issuance by, or capital contribution to, Holdings or the Borrower (which in the case of any such Equity Issuance by the Borrower, is not Disqualified Capital Stock) which, in the case of any such Equity Issuance by, or capital contribution to, Holdings, have been contributed in cash as common equity to the Borrower, in each case to the extent it is not a Specified Equity Contribution;

(d) the aggregate amount of proceeds received after the Closing Date and on or prior to such date that (i) would have constituted Net Cash Proceeds pursuant to clause (a) of the definition of “Net Cash Proceeds” except for the operation of any of (A) the Dollar threshold set



forth in the definition of "Asset Sale" and (B) the Dollar threshold set forth in the definition of "Recovery Event" or (ii) constitutes Declined Proceeds;

(e) the aggregate principal amount of any Indebtedness of the Borrower or any Restricted Subsidiary issued after the Closing Date (other than Indebtedness issued to a Restricted Subsidiary), which has been converted into or exchanged for Capital Stock in Holdings or any Parent Company;

(f) the amount received by the Borrower or any Restricted Subsidiary in cash (and the fair market value (as determined in good faith by the Borrower) of Property other than cash received by the Borrower or any Restricted Subsidiary) after the Closing Date from any dividend or other distribution by an Unrestricted Subsidiary;

(g) in the event any Unrestricted Subsidiary has been redesignated as a Restricted Subsidiary and becomes a Subsidiary Guarantor or has been merged, consolidated or amalgamated with or into, or transfers or conveys its assets to, or is liquidated into, the Borrower or any Subsidiary Guarantor, the fair market value (as determined in good faith by the Borrower) of the Investments of the Borrower or any Restricted Subsidiary in such Unrestricted Subsidiary at the time of such redesignation, combination or transfer (or of the assets transferred or conveyed, as applicable);

(h) an amount equal to any returns (including dividends, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) actually received in cash, Cash Equivalents and Permitted Liquid Investments by the Borrower or any Restricted Subsidiary in respect of any Investments made pursuant to Section 7.7(f)(ii)(B), (h)(B), or (v)(ii); and

(i) the aggregate amount actually received in cash, Cash Equivalents or Permitted Liquid Investments by the Borrower or any Restricted Subsidiary in connection with the sale, transfer or other disposition of its ownership interest in any joint venture that is not a Subsidiary or in any Unrestricted Subsidiary, in each case, to the extent of the Investment in such joint venture or Unrestricted Subsidiary;

in each case, that has not been previously applied pursuant to Section 7.6(b), Section 7.7(f)(ii), (h)(B) or (v)(ii) or Sections 7.8(a)(ii)(A) and 7.8(a)(ii)(B), less the amount of any payments made pursuant to Section 7.8(a)(ii)(F).

"Available Revolving Commitment": as to any Revolving Lender at any time, an amount equal to the excess, if any, of (a) such Lender's Revolving Commitment then in effect (including any New Loan Commitments which are Revolving Commitments) over (b) such Lender's Revolving Extensions of Credit then outstanding; provided that in calculating any Revolving Lender's Revolving Extensions of Credit under its Revolving Commitment for the purpose of determining such Revolving Lender's Available Revolving Commitments pursuant to Section 2.9(a), the aggregate principal amount of Swingline Loans then outstanding shall be deemed to be zero.

"Benefited Lender": as defined in Section 10.7(a).

"Board": the Board of Governors of the Federal Reserve System of the United States (or any successor).

“Board of Directors”: (a) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board; (b) with respect to a partnership, the Board of Directors of the general partner of the partnership, or any committee thereof duly authorized to act on behalf of such board or the board or committee of any Person serving a similar function; (c) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof or any Person or Persons serving a similar function; and (d) with respect to any other Person, the board or committee of such Person serving a similar function.

“Borrower”: as defined in the preamble hereto.

“Borrowing Date”: any Business Day specified by the Borrower as a date on which the Borrower requests the relevant Lenders to make Loans hereunder.

“Business”: the business activities and operations of the Company and/or its Affiliates on the Closing Date immediately after giving effect to the transactions contemplated by the Spin Off Agreement.

“Business Day”: a day (a) other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to close and (b) with respect to notices and determinations in connection with, and payments of principal and interest on, Eurocurrency Loans, such day is also a day for trading by and between banks in Dollar deposits in the London interbank eurocurrency market.

“Capital Expenditures”: for any period, with respect to any Person, the aggregate of all cash expenditures by such Person for the acquisition or leasing (pursuant to a capital lease but excluding any amount representing capitalized interest) of fixed or capital assets, computer software or additions to equipment (including replacements, capitalized repairs and improvements during such period) which are required to be capitalized under GAAP on a balance sheet of such Person; provided that in any event the term “Capital Expenditures” shall exclude: (i) any Permitted Acquisition and any other Investment permitted hereunder; (ii) any expenditures to the extent financed with any Reinvestment Deferred Amount; (iii) expenditures for leasehold improvements for which such Person is reimbursed in cash or receives a credit; and (iv) capital expenditures to the extent they are made with the proceeds of equity contributions (other than in respect of Disqualified Capital Stock) made to the Borrower after the Closing Date.

“Capital Lease Obligations”: as to any Person, 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 for purposes of this definition, “GAAP” shall mean generally accepted accounting principles in the United States as in effect on the Closing Date.

“Capital Stock”: any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, and any and all equivalent ownership interests in a Person (other than a corporation).

“Carlyle Fund”: Carlyle Partners US V, L.P., and no other Person or entity.

“Cash Equivalents”: (a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within eighteen months from the date of acquisition thereof;

(b) investments in commercial paper maturing within 270 days from the date of issuance thereof and having, at such date of acquisition, the highest credit rating obtainable from S&P or from Moody’s;

(c) investments in certificates of deposit, banker’s acceptances and time deposits maturing within one year from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, the Administrative Agent or any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof that has a combined capital and surplus and undivided profits of not less than \$500,000,000 and that issues (or the parent of which issues) commercial paper rated at least “Prime-1” (or the then equivalent grade) by Moody’s or “A-1” (or the then equivalent grade) by S&P;

(d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria of clause (c) above;

(e) investments in “money market funds” within the meaning of Rule 2a-7 of the Investment Company Act of 1940, as amended, substantially all of whose assets are invested in investments of the type described in clauses (a) through (d) above; and

(f) other short-term investments utilized by Foreign Subsidiaries in accordance with normal investment practices for cash management in investments of a type analogous to the foregoing.

“Cash Management Obligations”: obligations owed by the Borrower or any Subsidiary Guarantor to any Lender or any Affiliate of a Lender in respect of any overdraft and related liabilities arising from treasury, depository and cash management services, credit or debit card, or any automated clearing house transfers of funds.

“Certificated Security”: as defined in the Guarantee and Collateral Agreement.

“Change in Law”: (a) the adoption of any law, rule or regulation, or (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority.

“Change of Control”: as defined in Section 8.1(j).

“Chattel Paper”: as defined in the Guarantee and Collateral Agreement.

“Closing Date”: July 31, 2008.

“Closing Date Material Adverse Effect”: a “Company Material Adverse Effect” as defined in the Merger Agreement.

“Closing Date Stock Certificates”: Collateral consisting of stock certificates representing the Capital Stock of the Domestic Subsidiaries that are Restricted Subsidiaries (and not Immaterial

Subsidiaries) of the Borrower for which a security interest can be perfected by delivering such stock certificates.

“Closing Date UCC Filing Collateral”: Collateral for which a security interest can be perfected by filing a UCC financing statement.

“Code”: the Internal Revenue Code of 1986, as amended from time to time.

“Collateral”: the meaning assigned to such term in the Guarantee and Collateral Agreement.

“Collateral Agent”: Credit Suisse AG, Cayman Islands Branch (f/k/a Credit Suisse), in its capacity as collateral agent for the Secured Parties under the Security Documents and any of its successors and permitted assigns in such capacity in accordance with Section 9.9.

“Co-Manager”: Sumitomo Mitsui Banking Corporation, in its capacity as co-manager.

“Commitment”: as to any Lender, the sum of the Tranche A Term Commitments, the Tranche B Term Commitments, the Tranche C Term Commitments, the Revolving Commitments and the New Loan Commitments (in each case, if any) of such Lender.

“Committed Reinvestment Amount”: as defined in the definition of “Reinvestment Prepayment Amount”.

“Commonly Controlled Entity”: an entity, whether or not incorporated, that is under common control with Holdings within the meaning of Section 4001 of ERISA or is part of a group that includes Holdings and that is treated as a single employer under Section 414(b), (c), (m) or (o) of the Code.

“Commonly Controlled Plan”: as defined in Section 4.12(b).

“Company”: as defined in the preamble hereto.

“Company Reorganization”: the series of transactions described in the “Project Explorer Summarized Transaction Steps”, dated May 12, 2008, attached as Exhibit D to the Spin-Off Agreement dated as of May 15, 2008 among the Company, Booz & Company Holdings, LLC, Booz & Company Inc., Booz & Company Intermediate I Inc. and Booz & Company Intermediate II Inc., as amended, supplemented or otherwise modified from time to time, provided that any such amendments, supplements or modifications that are, when taken as a whole, materially adverse to the Lenders, shall be reasonably acceptable to the Administrative Agent.

“Compliance Certificate”: a certificate duly executed by a Responsible Officer substantially in the form of Exhibit B.

“Confidential Information”: as defined in Section 10.14.

“Consolidated Current Assets”: at any date, all amounts (other than (a) cash, Cash Equivalents and Permitted Liquid Investments, (b) deferred financing fees and (c) payments for deferred taxes so long as such items described in clauses (b) and (c) are not cash items) that would, in conformity

with GAAP, be set forth opposite the caption “total current assets” (or any like caption) on a consolidated balance sheet of the Borrower and its Restricted Subsidiaries at such date.

“Consolidated Current Liabilities”: at any date, all amounts that would, in conformity with GAAP, be set forth opposite the caption “total current liabilities” (or any like caption) on a consolidated balance sheet of the Borrower and its Restricted Subsidiaries at such date, but excluding (a) the current portion of any Indebtedness of the Borrower and its Restricted Subsidiaries, (b) without duplication, all Indebtedness consisting of Revolving Loans, L/C Obligations or Swingline Loans, to the extent otherwise included therein, (c) amounts for deferred taxes and non-cash tax reserves accounted for pursuant to FASB Interpretation No. 48, (d) any equity compensation related liability and (e) any liabilities in respect of adjustments to the outstanding stock options in connection with the Recapitalization Transactions.

“Consolidated EBITDA”: of any Person for any period, Consolidated Net Income of such Person and its Restricted Subsidiaries for such period plus, without duplication and, if applicable, to the extent reflected as a charge in the statement of such Consolidated Net Income (regardless of classification) for such period, the sum of:

(a) provisions for taxes based on income (or similar taxes in lieu of income taxes), profits, capital (or equivalents), including federal, foreign, state, local, franchise, excise and similar taxes and foreign withholding taxes of such Person paid or accrued during such period;

(b) Consolidated Net Interest Expense and, to the extent not reflected in such Consolidated Net Interest Expense, any net losses on hedging obligations or other derivative instruments entered into for the purpose of hedging interest rate risk, amortization or write-off of debt discount and debt issuance costs and commissions, discounts and other fees and charges associated with Indebtedness (including commitment, letter of credit and administrative fees and charges with respect to the Facilities and the Mezzanine Loan Facility);

(c) depreciation and amortization expense and impairment charges (including deferred financing fees, capitalized software expenditures, intangibles (including goodwill), organization costs and amortization of unrecognized prior service costs and actuarial gains and losses related to pensions and other post-employment benefits);

(d) any extraordinary, unusual or non-recurring expenses or losses (including (x) losses on sales of assets outside of the ordinary course of business and restructuring and integration costs or reserves, including any severance costs, costs associated with office and facility openings, closings and consolidations, relocation costs and other non-recurring business optimization expenses and (y) any expenses in connection with the Recapitalization Transactions (including expenses in respect of adjustments to the outstanding stock options in connection with the Recapitalization Transactions));

(e) any other non-cash charges, expenses or losses (except to the extent such charges, expenses or losses represent an accrual of or reserve for cash expenses in any future period or an amortization of a prepaid cash expense paid in a prior period);

(f) stock-option based and other equity-based compensation expenses;

(g) transaction costs, fees, losses and expenses (whether or not any transaction is actually consummated) (including those relating to the Merger Transactions, the transactions

contemplated hereby and by the Mezzanine Loan Documents (including any amendments or waivers of the Loan Documents or the Mezzanine Loan Documents), and those payable in connection with the sale of Capital Stock, the incurrence of Indebtedness permitted by Section 7.2, transactions permitted by Section 7.4, Dispositions permitted by Section 7.5, or any Permitted Acquisition or other Investment permitted by Section 7.7 (in each case whether or not successful));

(h) all fees and expenses paid pursuant to the Management Agreement;

(i) proceeds from any business interruption insurance (to the extent not reflected as revenue or income in such statement of such Consolidated Net Income);

(j) the amount of cost savings and other operating improvements and synergies projected by the Borrower in good faith and certified in writing to the Administrative Agent to be realized as a result of any acquisition (including the Merger Transactions) or Disposition (including the termination or discontinuance of activities constituting such business) of business entities or properties or assets, constituting a division or line of business of any business entity, division or line of business that is the subject of any such acquisition or Disposition, or from any operational change taken or committed to be taken during such period (in each case calculated on a pro forma basis as though such cost savings and other operating improvements and synergies had been realized on the first day of such period), net of the amount of actual benefits realized during such period from such actions to the extent already included in the Consolidated Net Income for such period, provided that (i) the Borrower shall have certified to the Administrative Agent that (A) such cost savings, operating improvements and synergies are reasonably anticipated to result from such actions, (B) such actions have been taken, or have been committed to be taken and the benefits resulting therefrom are anticipated by the Borrower to be realized within 12 months and (ii) no cost savings shall be added pursuant to this clause (j) to the extent already included in clause (d) above with respect to such period;

(k) cash expenses relating to earn-outs and similar obligations;

(l) charges, losses, lost profits, expenses or write-offs to the extent indemnified or insured by a third party, including expenses covered by indemnification provisions in any agreement in connection with the Merger Transactions, a Permitted Acquisition or any other acquisition permitted by Section 7.7;

(m) losses recognized and expenses incurred in connection with the effect of currency and exchange rate fluctuations on intercompany balances and other balance sheet items;

(n) costs of surety bonds in connection with financing activities of such Person and its Restricted Subsidiaries; and

(o) costs associated with, or in anticipation of, or preparation for, compliance with the requirements of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith and Public Company Costs;

minus, to the extent reflected as income or a gain in the statement of such Consolidated Net Income for such period, the sum of:

(a) any extraordinary, unusual or non-recurring income or gains (including gains on the sales of assets outside of the ordinary course of business);

(b) any other non-cash income or gains (other than the accrual of revenue in the ordinary course), but excluding any such items (i) in respect of which cash was received in a prior period or will be received in a future period or (ii) which represent the reversal in such period of any accrual of, or reserve for, anticipated cash charges in any prior period where such accrual or reserve is no longer required, all as determined on a consolidated basis; and

(c) gains realized and income accrued in connection with the effect of currency and exchange rate fluctuations on intercompany balances and other balance sheet items;

provided that for purposes of calculating Consolidated EBITDA of the Borrower and its Restricted Subsidiaries for any period, (A) the Consolidated EBITDA of any Person or Properties constituting a division or line of business of any business entity, division or line of business, in each case, acquired by the Borrower or any of the Restricted Subsidiaries during such period and assuming any synergies, cost savings and other operating improvements to the extent certified by the Borrower as having been determined in good faith to be reasonably anticipated to be realizable within 12 months following such acquisition, or of any Subsidiary designated as a Restricted Subsidiary during such period, shall be included on a pro forma basis for such period (but assuming the consummation of such acquisition or such designation, as the case may be, occurred on the first day of such period) and (B) the Consolidated EBITDA of any Person or Properties constituting a division or line of business of any business entity, division or line of business, in each case, Disposed of by the Borrower or any of the Restricted Subsidiaries during such period, or of any Subsidiary designated as an Unrestricted Subsidiary during such period, shall be excluded for such period (assuming the consummation of such Disposition or such designation, as the case may be, occurred on the first day of such period). With respect to each Subsidiary that is not a wholly-owned Subsidiary or any joint venture, for purposes of calculating Consolidated EBITDA, the amount of income attributable to such Subsidiary or joint venture, as applicable, that shall be counted for such purposes shall equal the product of (x) the Borrower's direct and/or indirect percentage ownership of such Subsidiary or joint venture and (y) the aggregate amount of the applicable item of such Subsidiary or joint venture, as applicable, except to the extent the application of GAAP already takes into account the non-wholly owned subsidiary relationship. Notwithstanding the forgoing, Consolidated EBITDA shall be calculated without giving effect to the effects of purchase accounting or similar adjustments required or permitted by GAAP in connection with the Transactions, any Investment (including any Permitted Acquisition) and any other acquisition or Investment. For purposes of determining Consolidated EBITDA under this Agreement, Consolidated EBITDA for the fiscal quarter ended March 31, 2008 shall be deemed to be \$64,635,000. Unless otherwise qualified, all references to "Consolidated EBITDA" in this Agreement shall refer to Consolidated EBITDA of the Borrower.

"Consolidated Net Income": of any Person for any period, the consolidated net income (or loss) of such Person and its Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP; provided that in calculating Consolidated Net Income of the Borrower and its consolidated Restricted Subsidiaries for any period, there shall be excluded (a) the income (or loss) of any Person accrued prior to the date it becomes a Restricted Subsidiary or is merged into or consolidated with the Borrower or any of its Subsidiaries and (b) the income (or loss) of any Person (other than a Restricted Subsidiary) in which Holdings, the Borrower or any of its Restricted Subsidiaries has an ownership interest (including any joint venture), except to the extent that any such income is actually received by Holdings, the Borrower or such Restricted Subsidiary in the form of dividends or similar distributions (which dividends and distributions shall be included in the calculation of

Consolidated Net Income). Notwithstanding the forgoing, for purposes of calculating Excess Cash Flow, Consolidated Net Income shall not include: (i) extraordinary gains for such period, (ii) the cumulative effect of a change in accounting principles during such period, (iii) any fees and expenses incurred during such period, or any amortization thereof for such period, in connection with any acquisition, investment, recapitalization, asset disposition, issuance or repayment of debt, issuance of equity securities, refinancing transaction or amendment or other modification of any debt instrument (in each case, including any such transaction undertaken but not completed) and any charges or non-recurring merger costs incurred during such period as a result of any such transaction and (iv) any income (loss) for such period attributable to the early extinguishment of Indebtedness or Hedge Agreements. Unless otherwise qualified, all references to "Consolidated Net Income" in this Agreement shall refer to Consolidated Net Income of the Borrower. There shall be excluded from Consolidated Net Income for any period the purchase accounting effects of adjustments to inventory, Property and equipment, software and other intangible assets and deferred revenue required or permitted by GAAP and related authoritative pronouncements (including the effects of such adjustments pushed down to the Borrower and the Restricted Subsidiaries), as a result of the Transactions, any consummated acquisition whether consummated before or after the Closing Date, or the amortization or write-off of any amounts thereof.

"Consolidated Net Interest Coverage Ratio": as of any date of determination, the ratio of (a) Consolidated EBITDA of the Borrower and its Restricted Subsidiaries for the most recently ended Test Period to (b) Consolidated Net Interest Expense of the Borrower and its Restricted Subsidiaries for such period.

"Consolidated Net Interest Expense": of any Person for any period, (a) total cash interest expense (including that attributable to Capital Lease Obligations) of such Person and its Restricted Subsidiaries for such period with respect to all outstanding Indebtedness of such Person and its Restricted Subsidiaries, minus (b) the sum of (i) total cash interest income of such Person and its Restricted Subsidiaries for such period (excluding any interest income earned on receivables due from clients), in each case determined in accordance with GAAP plus (ii) any one time financing fees (to the extent included in such Person's consolidated interest expense for such period), including, with respect to the Borrower, those paid in connection with the Transaction Documents or in connection with any amendment thereof. Unless otherwise qualified, all references to "Consolidated Net Interest Expense" in this Agreement shall refer to Consolidated Net Interest Expense of the Borrower.

"Consolidated Total Assets": the total assets of the Borrower and its Restricted Subsidiaries, determined on a consolidated basis in accordance with GAAP, as shown on the consolidated balance sheet of the Borrower for the most recently completed fiscal quarter for which financial statements have been delivered pursuant to Section 6.1(a) or (b).

"Consolidated Total Leverage": at any date, (a) the aggregate principal amount of all Funded Debt of the Borrower and its Restricted Subsidiaries on such date, minus (b) cash, Cash Equivalents and, to the extent they are subject to a perfected Lien pursuant to the Security Documents, Permitted Liquid Investments held by the Borrower and its Restricted Subsidiaries on such date, in each case determined on a consolidated basis in accordance with GAAP.

"Consolidated Total Leverage Ratio": as of any date of determination, the ratio of (a) Consolidated Total Leverage on such day to (b) Consolidated EBITDA of the Borrower and the Restricted Subsidiaries for the most recently ended Test Period.

"Consolidated Working Capital": at any date, the difference of (a) Consolidated Current Assets on such date minus (b) Consolidated Current Liabilities on such date, provided that, for purposes



of calculating Excess Cash Flow, increases or decreases in Consolidated Working Capital shall be calculated without regard to changes in the working capital balance as a result of non-cash increases or decreases thereof that will not result in future cash payments or receipts or cash payments or receipts in any previous period, in each case, including, without limitation, any changes in Consolidated Current Assets or Consolidated Current Liabilities as a result of (i) any reclassification in accordance with GAAP of assets or liabilities, as applicable, between current and noncurrent, (ii) the effects of purchase accounting and (iii) the effect of fluctuations in the amount of accrued or contingent obligations, assets or liabilities under Hedge Agreements.

“Continuing Directors”: the directors of Holdings on the Closing Date and each other director of Holdings, if, in each case, such other director’s nomination for election to the Board of Directors of Holdings is recommended by at least 51% of the then Continuing Directors or such other director receives the vote of the Sponsor and/or its Affiliates (excluding any operating portfolio companies of the Sponsor) or any other Permitted Investor in his or her nomination or election by the shareholders of Holdings.

“Contractual Obligation”: as to any Person, any provision of any security issued by such Person or of any written or recorded agreement, instrument or other undertaking to which such Person is a party or by which it or any of its Property is bound.

“Declined Proceeds”: the amount of any prepayment declined by the Required Prepayment Lenders or any Tranche B Term Lender or Tranche C Term Lender, as applicable, in accordance with Sections 2.12(a), 2.12(b), 2.12(c) or 2.12(e), as the case may be, to the extent, in the case of amounts declined in accordance with Section 2.12(e), such declined amounts have not been used to prepay Tranche A Term Loans.

“Default”: any of the events specified in Section 8.1, whether or not any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

“Defaulting Lender”: any Lender that (a) has failed to fund any portion of the Loans, participations in L/C Obligations or participations in Swingline Loans required to be funded by it hereunder within one Business Day of the date required to be funded by it hereunder unless such failure has been cured, (b) has otherwise failed to pay over to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within one Business Day of the date when due, unless the subject of a good faith dispute or unless such failure has been cured, or (c) has been deemed insolvent or become the subject of a bankruptcy or insolvency proceeding or otherwise has taken any action or become the subject of any action or proceeding of the type described in Section 8.1(f).

“Disinterested Director”: as defined in Section 7.9.

“Derivatives Counterparty”: as defined in Section 7.6.

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

“Disqualified Capital Stock”: Capital Stock that (a) requires the payment of any dividends (other than dividends payable solely in shares of Qualified Capital Stock), (b) matures or is mandatorily redeemable or subject to mandatory repurchase or redemption or repurchase at the option of the holders thereof (other than solely for Qualified Capital Stock), in each case in whole or in part and

whether upon the occurrence of any event, pursuant to a sinking fund obligation on a fixed date or otherwise (including as the result of a failure to maintain or achieve any financial performance standards) or (c) are convertible or exchangeable, automatically or at the option of any holder thereof, into any Indebtedness, Capital Stock or other assets other than Qualified Capital Stock, in the case of clauses (a), (b) and (c), prior to the date that is 91 days after the final scheduled maturity date of the Loans (other than (i) upon payment in full of the Obligations (other than indemnification and other contingent obligations not yet due and owing) or (ii) upon a “change in control”); provided that any payment required pursuant to this clause (ii) is subject to the prior repayment in full of the Obligations (other than indemnification and other contingent obligations not yet due and owing) that are accrued and payable and the termination of the Commitments); provided further, however, that if such Capital Stock is issued to any employee or to any plan for the benefit of employees of the Borrower or the Subsidiaries or by any such plan to such employees, such Capital Stock shall not constitute Disqualified Capital Stock solely because it may be required to be repurchased by the Borrower in order to satisfy applicable statutory or regulatory obligations or as a result of such employee’s termination, death or disability.

“Disqualified Institution”: (i) those institutions identified by the Borrower in writing to the Administrative Agent prior to the Closing Date or, with the consent of the Administrative Agent (not to be unreasonably withheld; consent of the Administrative Agent shall be deemed to have been given if the Administrative Agent does not object within 5 Business Days after identification of an institution) from time to time thereafter, and their known Affiliates and (ii) business competitors of the Borrower and its Subsidiaries or the Company identified by Borrower in writing to the Administrative Agent from time to time and their known Affiliates.

“Dollars” and “\$”: dollars in lawful currency of the United States.

“Domestic Subsidiary”: any direct or indirect Restricted Subsidiary organized under the laws of any jurisdiction within the United States.

“Environmental Laws”: any and all applicable laws, rules, orders, regulations, statutes, ordinances, codes or decrees (including, without limitation, common law) of any international authority, foreign government, the United States, or any state, provincial, local, municipal or other governmental authority, regulating, relating to or imposing liability or standards of conduct concerning protection of the environment, natural resources or human health and safety as it relates to Releases of Materials of Environmental Concern, as has been, is now, or at any time hereafter is, in effect.

“Environmental Liability”: any liability, claim, action, suit, judgment or order under or relating to any Environmental Law for any damages, injunctive relief, losses, fines, penalties, fees, expenses (including reasonable fees and expenses of attorneys and consultants) or costs, whether contingent or otherwise, including those arising from or relating to: (a) compliance or non-compliance with any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Materials of Environmental Concern, (c) exposure to any Materials of Environmental Concern, (d) the Release of any Materials of Environmental Concern 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 Issuance”: any issuance by Holdings, the Borrower or any Restricted Subsidiary of its Capital Stock in a public or private offering.

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

“Eurocurrency Base Rate”: with respect to each day during each Interest Period, the rate per annum determined by reference to the British Bankers’ Association Interest Settlement Rates for deposits in Dollars for a period equal to such Interest Period commencing on the first day of such Interest Period appearing on the Screen as of 11:00 A.M., London time, two Business Days prior to the beginning of such Interest Period, as the Eurocurrency Rate for deposits denominated with a maturity comparable to such Interest Period. In the event that such rate does not appear on the Screen at such time for any reason, then the “Eurocurrency Base Rate” shall be determined by reference to such other comparable publicly available service for displaying eurocurrency rates as may be selected by the Administrative Agent or, in the absence of such availability, by reference to the rate at which the Administrative Agent is offered deposits at or about 11:00 A.M., London time, two Business Days prior to the beginning of such Interest Period in the interbank eurocurrency market where its eurodollar and exchange operations are then being conducted for delivery on the first day of such Interest Period for the number of days comprised therein.

“Eurocurrency Loans”: Loans the rate of interest applicable to which is based upon the Eurocurrency Rate.

“Eurocurrency Rate”: with respect to each day during each Interest Period pertaining to a Eurocurrency Loan, a rate per annum determined for such day in accordance with the following formula:

$$\frac{\text{Eurocurrency Base Rate}}{1.00 \text{ — Eurocurrency Reserve Requirements}}$$

“Eurocurrency Reserve Requirements”: for any day as applied to a Eurocurrency Loan, the aggregate (without duplication) of the maximum rates (expressed as a decimal fraction) of reserve requirements in effect on such day (including basic, supplemental, marginal and emergency reserves) under any regulations of the Board or other Governmental Authority having jurisdiction with respect thereto dealing with reserve requirements prescribed for eurocurrency funding (currently referred to as “Eurocurrency Liabilities” in Regulation D of the Board) maintained by a member bank of the Federal Reserve System.

“Eurocurrency Tranche”: the collective reference to Eurocurrency Loans under a particular Facility the then current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Loans shall originally have been made on the same day).

“Event of Default”: any of the events specified in Section 8.1; provided that any requirement set forth therein for the giving of notice, the lapse of time, or both, has been satisfied.

“Excess Cash Flow”: for any fiscal year of the Borrower, the difference, if any, of (a) the sum, without duplication, of (i) Consolidated Net Income of the Borrower for such fiscal year, (ii) the amount of all non-cash charges (including depreciation, amortization and deferred tax expense) deducted in arriving at such Consolidated Net Income and cash receipts included in clause (i) of the definition of “Consolidated Net Income” and excluded in arriving at such Consolidated Net Income, (iii) the amount of the decrease, if any, in Consolidated Working Capital for such fiscal year (excluding any decrease in Consolidated Working Capital relating to leasehold improvements for which the Borrower or any of its Subsidiaries is reimbursed in cash or receives a credit) and (iv) the aggregate net amount of non-cash loss on the Disposition of Property by the Borrower and its Restricted Subsidiaries during such fiscal year (other than sales of inventory in the ordinary course of business), to the extent deducted in arriving at such Consolidated Net Income; minus (b) the sum, without duplication (including, in the case of clauses (ii) and (viii) below, duplication across periods (provided that all or any portion of the amounts

referred to in clauses (ii) and (viii) below with respect to a period may be applied in the determination of Excess Cash Flow for any subsequent period to the extent such amounts did not previously result in a reduction of Excess Cash Flow in any prior period)) of:

(i) the amount of all non-cash gains or credits included in arriving at such Consolidated Net Income (including, without limitation, credits included in the calculation of deferred tax assets and liabilities) and cash charges excluded in clauses (i) through (iv) of the definition of "Consolidated Net Income" and included in arriving at such Consolidated Net Income;

(ii) the aggregate amount (A) actually paid by the Borrower and its Restricted Subsidiaries in cash during such fiscal year on account of Capital Expenditures and Permitted Acquisitions and (B) committed during such fiscal year to be used to make Capital Expenditures or Permitted Acquisitions which in either case have been actually made or consummated or for which a binding agreement exists as of the time of determination of Excess Cash Flow for such fiscal year (in each case under this clause (ii) other than to the extent any such Capital Expenditure or Permitted Acquisition is made (or, in the case of the preceding clause (B), is expected to be made) with the proceeds of new long-term Indebtedness or an Equity Issuance or with the proceeds of any Reinvestment Deferred Amount);

(iii) the aggregate amount of all regularly scheduled principal payments and all prepayments of Indebtedness (including, without limitation, the Term Loans and, if applicable, the Mezzanine Loans) of the Borrower and its Restricted Subsidiaries made during such fiscal year (other than in respect of any revolving credit facility to the extent there is not an equivalent permanent reduction in commitments thereunder and other than to the extent any such prepayments are the result of the incurrence of additional indebtedness and other than optional prepayments of the Term Loans and optional prepayments of Revolving Loans and Swingline Loans to the extent accompanied by permanent optional reductions of the Revolving Commitments);

(iv) the amount of the increase, if any, in Consolidated Working Capital for such fiscal year (excluding any increase in Consolidated Working Capital relating to leasehold improvements for which the Borrower or any of its Subsidiaries is reimbursed in cash or receives a credit);

(v) the aggregate net amount of non-cash gain on the Disposition of Property by the Borrower and its Restricted Subsidiaries during such fiscal year (other than sales of inventory in the ordinary course of business), to the extent included in arriving at such Consolidated Net Income;

(vi) fees and expenses incurred in connection with the Transactions or any Permitted Acquisition (whether or not consummated);

(vii) purchase price adjustments paid or received in connection with the Merger Transactions, any Permitted Acquisition or any other acquisition permitted under Section 7.7(h) or (v);

(viii) (A) the net amount of Investments made during such period pursuant to paragraphs (d), (f), (h), (l), (v) and (y) of Section 7.7 (to the extent, in the case of clause (y), such Investment relates to Restricted Payments permitted under Section 7.6(c), (e), (h) or (i)) or committed during such period to be used to make Investments pursuant to such paragraphs of Section 7.7 which

have been actually made or for which a binding agreement exists as of the time of determination of Excess Cash Flow for such period (but excluding Investments among the Borrower and its Restricted Subsidiaries) and (B) permitted Restricted Payments made in each case by the Borrower during such period and permitted Restricted Payments made by any Restricted Subsidiary to any Person other than Holdings, the Borrower or any of the Restricted Subsidiaries during such period, in each case, to the extent permitted by Section 7.6(c), (e), (h), (i) or (p) (to the extent, in the case of clause (p), such Restricted Payment is funded using cash on hand); provided that the amount of Restricted Payments made pursuant to Section 7.6(e) and deducted pursuant to this clause (viii) shall not exceed \$10,000,000 in any fiscal year;

(ix) the amount (determined by the Borrower) of such Consolidated Net Income which is mandatorily prepaid or reinvested pursuant to Section 2.12(b) (or as to which a waiver of the requirements of such Section applicable thereto has been granted under Section 10.1) prior to the date of determination of Excess Cash Flow for such fiscal year as a result of any Asset Sale or Recovery Event;

(x) the aggregate amount of any premium or penalty actually paid in cash that is required to be made in connection with any prepayment of Indebtedness;

(xi) cash payments by the Borrower and its Restricted Subsidiaries during such period in respect of long-term liabilities of the Borrower and its Subsidiaries other than Indebtedness;

(xii) the aggregate amount of expenditures actually made by the Borrower and its Restricted Subsidiaries in cash during such period (including expenditures for the payment of financing fees) to the extent that such expenditures are not expensed during such period and are not deducted in calculating Consolidated Net Income;

(xiii) cash expenditures in respect of Hedge Agreements during such period to the extent not deducted in arriving at such Consolidated Net Income;

(xiv) the amount of taxes (including penalties and interest) paid in cash in such period or tax reserves set aside or payable (without duplication) in such period to the extent they exceed the amount of tax expense deducted in determining Consolidated Net Income for such period;

(xv) the amount of cash payments made in respect of pensions and other post-employment benefits in such period;

(xvi) payments made in respect of the minority equity interests of third parties in any non-wholly owned Restricted Subsidiary in such period, including pursuant to dividends declared or paid on Capital Stock held by third parties in respect of such non-wholly-owned Restricted Subsidiary; and

(xvii) the amount representing accrued expenses for cash payments (including with respect to retirement plan obligations) that are not paid in cash in such fiscal year, provided that such amounts will be added to Consolidated Excess Cash Flow for the following fiscal year to the extent not paid in cash during such following fiscal year.

"Excess Cash Flow Application Date": as defined in Section 2.12(c).

“Excess Cash Flow Percentage”: 50%; provided that the Excess Cash Flow Percentage shall be reduced to (a) 25% if the Consolidated Total Leverage Ratio as of the last day of the relevant fiscal year is not greater than 3.75 to 1.00 and (b) to 0% if the Consolidated Total Leverage Ratio as of the last day of the relevant fiscal year is not greater than 2.25 to 1.00.

“Existing Credit Agreement”: as defined in the recitals hereto.

“Excluded Capital Stock”: (a) any Capital Stock with respect to which, in the reasonable judgment of Administrative Agent (confirmed by notice to the Borrower), (i) the cost of pledging such Capital Stock in favor of the Secured Parties under the Security Documents shall be excessive in view of the benefits to be obtained by the Lenders therefrom or (ii) would result in adverse tax consequences, (b) solely in the case of any pledge of Capital Stock of any Foreign Subsidiary or any Foreign Subsidiary Holding Company to secure the Obligations, any Capital Stock of any class of such Foreign Subsidiary or such Foreign Subsidiary Holding Company in excess of 65% of the outstanding Capital Stock of such class (such percentage to be adjusted by mutual agreement (not to be unreasonably withheld) upon any change in law as may be required to avoid adverse U.S. federal income tax consequences to the Borrower or any Subsidiary), (c) any Capital Stock to the extent the pledge thereof would violate any applicable Requirement of Law, (d) the Capital Stock of any Special Purpose Entity, any Immaterial Subsidiary (for so long as such Subsidiary remains an Immaterial Subsidiary) or any Unrestricted Subsidiary and (e) in the case of any Capital Stock of any Subsidiary that is subject of a Lien permitted under Section 7.3(g) securing Indebtedness permitted under Section 7.2(t) or (u) any Capital Stock of each such Subsidiary to the extent that (i) a pledge thereof to secure the Obligations is prohibited by any applicable Contractual Obligations (other than customary non-assignment provisions which are ineffective under the Uniform Commercial Code) or (ii) any Contractual Obligation prohibits such a pledge without the consent of the other party; provided that this clause (ii) shall not apply if (A) such other party is a Loan Party or a wholly-owned Subsidiary or (B) consent has been obtained to consummate such pledge and for so long as such Contractual Obligation or replacement or renewal thereof is in effect or (iii) a pledge thereof to secure the Obligations would give any other party to a Contractual Obligation the right to terminate its obligations thereunder (other than customary non-assignment provisions which are ineffective under the Uniform Commercial Code or other applicable law); provided that this clause (iii) shall not apply if such other party is a Loan Party or a wholly-owned Subsidiary.

“Excluded Collateral”: as defined in Section 4.17(a).

“Excluded Real Property”: (a) any Real Property that is subject to a Lien expressly permitted by Section 7.3(g) or 7.3(z), (b) any Real Property with respect to which, in the reasonable judgment of Administrative Agent (confirmed by notice to the Borrower) the cost of providing a mortgage on such Real Property in favor of the Secured Parties under the Security Documents shall be excessive in view of the benefits to be obtained by the Lenders therefrom and (c) any Real Property to the extent providing a mortgage on such Real Property would (i) result in adverse tax consequences as reasonably determined by the Administrative Agent, (ii) violate any applicable Requirement of Law, (iii) be prohibited by any applicable Contractual Obligations (other than customary non-assignment provisions which are ineffective under the Uniform Commercial Code) or (iv) give any other party (other than a Loan Party or a wholly-owned Subsidiary) to any contract, agreement, instrument or indenture governing such Real Property the right to terminate its obligations thereunder (other than customary non-assignment provisions which are ineffective under the Uniform Commercial Code or other applicable law).

“Excluded Subsidiary”: (a) each Domestic Subsidiary which is an Immaterial Subsidiary as of the Closing Date and listed on Schedule 1.1 and each future Domestic Subsidiary which is an Immaterial Subsidiary, in each case, for so long as such Subsidiary remains an Immaterial Subsidiary,

(b) each Domestic Subsidiary that is not a wholly-owned Subsidiary on any date such Subsidiary would otherwise be required to become a Guarantor pursuant to the requirements of Section 6.8(c) (for so long as such Subsidiary remains a non-wholly-owned Restricted Subsidiary), (c) any Foreign Subsidiary Holding Company, (d) each Domestic Subsidiary that is a Subsidiary of a Foreign Subsidiary, (e) each Unrestricted Subsidiary, (f) each Domestic Subsidiary to the extent that (i) such Domestic Subsidiary is prohibited by any applicable Contractual Obligation or Requirement of Law from guaranteeing the Obligations, (ii) any Contractual Obligation prohibits such guarantee without the consent of the other party or (iii) a guarantee of the Obligations would give any other party to a Contractual Obligation the right to terminate its obligation thereunder; provided that clauses (ii) and (iii) shall not be applicable if (A) such other party is a Loan Party or a wholly-owned Subsidiary or (B) consent has been obtained to provide such pledge and for so long as such Contractual Obligation or replacement or renewal thereof is in effect, (g) any Subsidiary that is a Special Purpose Entity or (h) any other Domestic Subsidiary with respect to which, in the reasonable judgment of the Administrative Agent (confirmed by notice to the Borrower) the cost of providing a guarantee is excessive in view of the benefits to be obtained by the Lenders.

“Existing Revolving Commitment”: with respect to any Revolving Lender, the Revolving Commitment of such Revolving Lender immediately prior to the Amendment and Restatement Effective Date, in the amount set forth under the heading “Existing Revolving Commitment” opposite such Lender’s name on Schedule 2.1A. The aggregate amount of the Existing Revolving Commitments is \$100,000,000.

“Facility”: each of (a) the Tranche A Term Commitments and the Tranche A Term Loans made thereunder (the “Tranche A Term Facility”), (b) the Tranche B Term Commitments and the Tranche B Term Loans made thereunder (the “Tranche B Term Facility”), (c) the Tranche C Term Commitments and the Tranche C Term Loans made thereunder (the “Tranche C Term Facility”), (d) any New Loan Commitments and the New Loans made thereunder (a “New Facility”) and (e) the Revolving Commitments and the extensions of credit made thereunder (the “Revolving Facility”).

“Federal Funds Effective Rate”: for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for the day of such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by it.

“Fee Payment Date”: commencing on September 30, 2008, (a) the last Business Day of each March, June, September and December and (b) the last day of the Revolving Commitment Period.

“First Amendment”: Amendment No. 1 to Credit Agreement, dated as of December 8, 2009, among Holdings, the Borrower, the Lenders party thereto and the Agents, providing for the amendment and restatement of the Existing Credit Agreement in the form of this Agreement.

“Foreign Subsidiary”: any Restricted Subsidiary of the Borrower that is not a Domestic Subsidiary.

“Foreign Subsidiary Holding Company”: any Restricted Subsidiary of the Borrower which is a Domestic Subsidiary substantially all of the assets of which consist of the Capital Stock of one or more Foreign Subsidiaries.

“Funded Debt”: with respect to any Person, all Indebtedness of such Person of the types described in clauses (a), (b), (e), (g)(ii) or, to the extent related to Indebtedness of the types described in the preceding clauses, (d) of the definition of “Indebtedness”.

“Funding Office”: the office of the Administrative Agent specified in Section 10.2 or such other office as may be specified from time to time by the Administrative Agent as its funding office by written notice to the Borrower and the Lenders.

“GAAP”: generally accepted accounting principles in the United States as in effect from time to time.

“Governmental Authority”: any nation or government, any state, province or other political subdivision thereof and any governmental entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and, as to any Lender, any securities exchange and any self regulatory organization (including the National Association of Insurance Commissioners).

“Government Contracts”: as defined in the Guarantee and Collateral Agreement.

“Guarantee and Collateral Agreement”: the Guarantee and Collateral Agreement, dated as of July 31, 2008, among Holdings, the Borrower and each Subsidiary Guarantor, substantially in the form of Exhibit A, as the same may be amended, supplemented or otherwise modified from time to time.

“Guarantee Obligation”: as to any Person (the “guaranteeing person”), any obligation of (a) the guaranteeing person or (b) another Person (including, without limitation, any bank under any letter of credit) pursuant to which the guaranteeing person has issued a guarantee, reimbursement, counterindemnity or similar obligation, in either case guaranteeing or by which such Person becomes contingently liable for any Indebtedness (the “primary obligations”) of any other third Person (the “primary obligor”) in any manner, whether directly or indirectly, including, without limitation, any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any Property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase Property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business and reasonable indemnity obligations in effect on the Closing Date or entered into in connection with any acquisition or disposition of assets or any Investment permitted under this Agreement. The amount of any Guarantee Obligation of any guaranteeing Person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (b) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case, the amount of such Guarantee Obligation shall be such guaranteeing person’s maximum reasonably anticipated liability in respect thereof (assuming such person is required to perform thereunder) as determined by such Person in good faith.

“Guarantors”: the collective reference to Holdings and the Subsidiary Guarantors.



**“Hedge Agreements”**: all agreements with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more 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, in each case, entered into by the Borrower or any Restricted Subsidiary.

**“Holdings”**: as defined in the preamble hereto.

**“Holdings IPO”**: the issuance by Holdings or any Parent Company of its common Capital Stock in an underwritten primary public offering (other than a public offering pursuant to a registration statement on Form S-8) pursuant to an effective registration statement filed with the SEC in accordance with the Securities Act whether alone or in connection with a secondary public offering.

**“Immaterial Subsidiary”**: on any date, any Subsidiary of the Borrower that has had less than 5% of Consolidated Total Assets and 5% of annual consolidated revenues of the Borrower and its Restricted Subsidiaries as reflected on the most recent financial statements delivered pursuant to Section 6.1 prior to such date; provided that at no time shall all Immaterial Subsidiaries have in the aggregate Consolidated Total Assets or annual consolidated revenues (as reflected on the most recent financial statements delivered pursuant to Section 6.1 prior to such time) in excess of 7.5% of Consolidated Total Assets or annual consolidated revenues, respectively, of the Borrower and its Restricted Subsidiaries.

**“Increased Amount Date”**: as defined in Section 2.25.

**“Indebtedness”** of any Person: without duplication, (a) all indebtedness 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 for the deferred purchase price of Property or services already received, (d) all Guarantee Obligations by such Person of Indebtedness of others, (e) all Capital Lease Obligations of such Person, (f) all payments that such Person would have to make in the event of an early termination, on the date Indebtedness of such Person is being determined in respect of outstanding Hedge Agreements (such payments in respect of any Hedge Agreement with a counterparty being calculated subject to and in accordance with any netting provisions in such Hedge Agreement), (g) the principal component of all obligations, contingent or otherwise, of such Person (i) as an account party in respect of letters of credit (other than any letters of credit, bank guarantees or similar instrument in respect of which a back-to-back letter of credit has been issued under or permitted by this Credit Agreement) and (ii) in respect of bankers’ acceptances; provided that Indebtedness shall not include (A) trade and other ordinary course payables, accrued expenses and intercompany liabilities arising in the ordinary course of business, (B) prepaid or deferred revenue arising in the ordinary course of business, (C) purchase price holdbacks arising in the ordinary course of business in respect of a portion of the purchase price of an asset to satisfy unperformed obligations of the seller of such asset or (D) earn-out and other contingent obligations until such obligations become a liability on the balance sheet of such Person in accordance with GAAP. The Indebtedness of any Person shall include the Indebtedness of any partnership in which such Person is a general Partner, other than to the extent that the instrument or agreement evidencing such Indebtedness expressly limits the liability of such Person in respect thereof.

**“Indebtedness for Borrowed Money”**: (a) to the extent the following would be reflected on a consolidated balance sheet of the Borrower and its Restricted Subsidiaries prepared in accordance with GAAP, the principal amount of all Indebtedness of the Borrower and its Restricted Subsidiaries with respect to (i) borrowed money, evidenced by debt securities, debentures, acceptances, notes or other similar instruments and (ii) Capital Lease Obligations, (b) reimbursement obligations for letters of credit

and financial guarantees (without duplication) (other than ordinary course of business contingent reimbursement obligations) and (c) Hedge Agreements; provided that the Obligations shall not constitute Indebtedness for Borrowed Money.

“Indemnified Liabilities”: as defined in Section 10.5.

“Indemnitee”: as defined in Section 10.5.

“Initial Borrower”: Explorer Merger Sub Corporation, a Delaware corporation that was merged into the Borrower on the Closing Date.

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

“Insolvent”: pertaining to a condition of Insolvency.

“Instrument”: as defined in the Guarantee and Collateral Agreement.

“Intellectual Property”: the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including, without limitation, copyrights, copyright licenses, domain names, patents, patent licenses, trademarks, trademark licenses, trade names, technology, know-how and processes, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

“Interest Payment Date”: (a) commencing on September 30, 2008, as to any ABR Loan, the last Business Day of each March, June, September and December to occur while such Loan is outstanding and the final maturity date of such Loan, (b) as to any Eurocurrency Loan having an Interest Period of three months or less, the last day of such Interest Period, (c) as to any Eurocurrency Loan having an Interest Period longer than three months, each day that is three months, or a whole multiple thereof, after the first day of such Interest Period and the last day of such Interest Period and (d) as to any Loan (other than any Revolving Loan that is an ABR Loan and any Swingline Loan), the date of any repayment or prepayment made in respect thereof.

“Interest Period”: as to any Eurocurrency Loan, (a) initially, the period commencing on the borrowing or conversion date, as the case may be, with respect to such Eurocurrency Loan and ending one, two, three or six or (if available from all Lenders under the relevant Facility) nine or twelve months (or such other period acceptable to all such Lenders) thereafter, as selected by the Borrower in its notice of borrowing or notice of continuation or conversion, as the case may be, given with respect thereto; and (b) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Eurocurrency Loan and ending one, two, three or six or (with the consent of each affected Lender under the relevant Facility) nine or twelve months (or such other period acceptable to all such Lenders) thereafter, as selected by the Borrower by irrevocable notice to the Administrative Agent not later than 1:00 P.M., New York City time, on the date that is three Business Days prior to the last day of the then current Interest Period with respect thereto; provided that all of the foregoing provisions relating to Interest Periods are subject to the following:

- (i) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless the result of such

extension would be to carry such Interest Period into another calendar month in which event such Interest Period shall end on the immediately preceding Business Day;

(ii) any Interest Period that would otherwise extend beyond the scheduled Revolving Termination Date or beyond the date final payment is due on the Term Loans shall end on the Revolving Termination Date or such due date, as applicable; and

(iii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of a calendar month.

“Investments”: as defined in Section 7.7.

“Issuing Lenders”: (a) Credit Suisse AG, Cayman Islands Branch, (f/k/a Credit Suisse) and (b) any other Revolving Lender from time to time designated by the Borrower, in its sole discretion, as an Issuing Lender with the consent of such other Revolving Lender.

“Joinder Agreement”: an agreement substantially in the form of Exhibit H.

“Joint Bookrunners”: Banc of America Securities LLC, Credit Suisse Securities (USA) LLC, Barclays Capital, the investment banking division of Barclays Bank PLC, Goldman Sachs Credit Partners L.P. and Morgan Stanley Senior Funding, Inc, in their capacity as joint bookrunners.

“L/C Commitment”: \$60,000,000.

“L/C Obligations”: at any time, an amount equal to the sum of (a) the aggregate then undrawn and unexpired face amount of the then outstanding Letters of Credit and (b) the aggregate amount of drawings under Letters of Credit that have not then been reimbursed. The L/C Obligations of any Lender at any time shall be its Revolving Percentage of the total L/C Obligations at such time.

“L/C Participants”: the collective reference to all the Revolving Lenders other than the applicable Issuing Lender.

“Lead Arrangers”: Banc of America Securities LLC and Credit Suisse Securities (USA) LLC in their capacity as joint lead arrangers.

“Lenders”: as defined in the preamble hereto.

“Letters of Credit”: as defined in Section 3.1(a).

“Lien”: any mortgage, pledge, hypothecation, collateral assignment, encumbrance, lien (statutory or other), charge or other security interest or any other security agreement of any kind or nature whatsoever (including any conditional sale or other title retention agreement and any capital lease having substantially the same economic effect as any of the foregoing). For the avoidance of doubt, it is understood and agreed that the Borrower and any Restricted Subsidiary may, as part of its business, grant licenses to third parties to use Intellectual Property owned or developed by, or licensed to, such entity. For purposes of this Agreement and the other Loan Documents, such licensing activity, and licenses granted pursuant to the Merger Documents, shall not constitute a “Lien” on such Intellectual Property. Each of the Administrative Agent and each Lender understands that any such licenses may be exclusive to the applicable licensees, and such exclusivity provisions may limit the ability of the Administrative Agent

to utilize, sell, lease, license or transfer the related Intellectual Property or otherwise realize value from such Intellectual Property pursuant hereto.

“Loan”: any loan made by any Lender pursuant to this Agreement.

“Loan Documents”: the collective reference to this Agreement, the Security Documents and the Notes (if any) and any amendment, waiver, supplement or other modification to any of the foregoing.

“Loan Parties”: Holdings, the Borrower and each Subsidiary Guarantor.

“Majority Facility Lenders”: with respect to any Facility, the holders of more than 50% of the aggregate unpaid principal amount of the Tranche A Term Loans, Tranche B Term Loans, Tranche C Term Loans, New Loans or the Revolving Extensions of Credit, as the case may be, outstanding under such Facility (or (i) in the case of the Revolving Facility, prior to any termination of the Revolving Commitments under such Facility, the holders of more than 50% of the Revolving Commitments under such Facility or (ii) in the case of any New Facility that is a revolving credit facility, prior to any termination of the New Loan Commitments under such Facility, the holders of more than 50% of the New Loan Commitments under such Facility); provided, however, that determinations of the “Majority Facility Lenders” shall exclude any Commitments or Loans held by the Carlyle Fund.

“Majority Revolving Facility Lenders”: the Majority Facility Lenders in respect of the Revolving Facility.

“Majority Tranche A Term Facility Lenders”: the Majority Facility Lenders in respect of the Tranche A Term Facility.

“Majority Tranche B Term Facility Lenders”: the Majority Facility Lenders in respect of the Tranche B Term Facility.

“Majority Tranche C Term Facility Lenders”: the Majority Facility Lenders in respect of the Tranche C Term Facility.

“Management Agreement”: the Management Agreement, by and between Explorer Holding Corporation, the Borrower and TC Group V, L.L.C., as in effect on the Closing Date and as modified from time to time with the consent of the Administrative Agent (which consent shall not be unreasonably withheld or delayed).

“Mandatory Prepayment Date”: as defined in Section 2.12(e).

“Material Adverse Effect”: a material adverse effect on (a) the business, operations, assets, financial condition or results of operations of the Borrower and its Restricted Subsidiaries, taken as a whole, or (b) the material rights and remedies available to the Administrative Agent and the Lenders, taken as a whole, under the Loan Documents.

“Material Real Property”: any Real Property located in the United States and owned in fee by a Loan Party on the Closing Date having an estimated fair market value (in the good faith judgment of such Loan Party) exceeding \$2,000,000 and any after-acquired Real Property located in the United States owned by a Loan Party having a gross purchase price exceeding \$2,000,000 at the time of acquisition.

“Material Subsidiary”: any Subsidiary that is not an Immaterial Subsidiary.

“Materials of Environmental Concern”: any gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products, polychlorinated biphenyls, urea-formaldehyde insulation, asbestos, pollutants, contaminants, radioactivity and any other substances that are defined as hazardous or toxic under any Environmental Law, that are regulated pursuant to any Environmental Law.

“Merger Agreement”: the Agreement and Plan of Merger, dated as of May 15, 2008, by and among, Holdings, the Company, Explorer Holding Corporation, the Initial Borrower and Booz & Company Inc.

“Merger Documents”: collectively, the Merger Agreement, the Spin Off Agreement, and all schedules, exhibits, annexes and amendments thereto (including the execution versions of any agreements that are exhibits or annexes thereto), in each case, as amended, supplemented or otherwise modified from time to time.

“Merger Transactions”: the transactions contemplated by the Merger Documents.

“Mezzanine Facility Indebtedness”: Indebtedness incurred under the Mezzanine Loan Facility.

“Mezzanine Loan Agreement”: the Mezzanine Credit Agreement, dated as of July 31, 2008, among the Borrower, the lenders from time to time parties thereto, Credit Suisse AG, Cayman Islands Branch (f/k/a Credit Suisse), as administrative agent, and Credit Suisse Securities (USA) LLC, Banc of America Securities LLC and Lehman Brothers Inc., as joint lead arrangers and joint bookrunners, as such agreement may be amended, supplemented or otherwise modified from time to time or refunded, refinanced, restructured, replaced, renewed, repaid, increased or extended from time to time to the extent not prohibited by this Agreement (whether in whole or in part, whether with the original administrative agent and lenders or other agents and lenders or otherwise, and whether provided under the original Mezzanine Loan Agreement or other credit agreements, indentures or otherwise, unless such agreement or instrument expressly provides that it is not intended to be and is not a Mezzanine Loan Agreement hereunder).

“Mezzanine Loan Documents”: the Loan Documents as defined in the Mezzanine Loan Agreement or any other documentation evidencing any Mezzanine Loan Facility, as the same may be amended, supplemented or otherwise modified, extended, renewed, refinanced or replaced from time to time to the extent not prohibited by this Agreement.

“Mezzanine Loan Facility”: the collective reference to the Mezzanine Loan Agreement, any Mezzanine Loan Documents, any notes issued pursuant thereto and any guarantee agreement, and other instruments and documents executed and delivered pursuant to or in connection with any of the foregoing, in each case as the same may be amended, supplemented or otherwise modified from time to time, or refunded, refinanced, restructured, replaced, renewed, repaid, increased or extended from time to time (whether in whole or in part, whether with the original agent and lenders or other agents and lenders or otherwise, and whether provided under the original Mezzanine Loan Agreement or other credit agreements, indentures or otherwise, unless such agreement expressly provides that it is not intended to be and is not a Mezzanine Loan Facility hereunder).

“Mezzanine Loans”: the loans made pursuant to the Mezzanine Loan Agreement.

“Moody’s”: Moody’s Investors Service, Inc. or any successor to the rating agency business thereof.

“Mortgaged Properties”: all Real Property that shall be subject to a Mortgage that is delivered pursuant to the terms of this Agreement.

“Mortgage”: any mortgage, deed of trust, hypothec, assignment of leases and rents or other similar document delivered on or after the Closing Date by any Loan Party in favor of, or for the benefit of, the Collateral Agent for the benefit of the Secured Parties, with respect to Mortgaged Properties, each substantially in form and substance reasonably acceptable to the Administrative Agent and the Borrower (taking into account the law of the jurisdiction in which such mortgage, deed of trust, hypothec or similar document is to be recorded), as the same may be amended, restated, amended and restated, supplemented or otherwise modified from time to time.

“Multiemployer Plan”: a Plan that is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

“Net Cash Proceeds”: (a) in connection with any Asset Sale or any Recovery Event, the proceeds thereof in the form of cash, Cash Equivalents and Permitted Liquid Investments (including any such proceeds received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but only as and when received) received by any Loan Party, net of (i) attorneys’ fees, accountants’ fees, investment banking fees, consulting fees, amounts required to be applied to the repayment of Indebtedness secured by a Lien expressly permitted hereunder on any asset which is the subject of such Asset Sale or Recovery Event (other than any Lien pursuant to a Security Document) and other customary fees and expenses actually incurred by any Loan Party in connection therewith; (ii) taxes paid or reasonably estimated to be payable by any Loan Party as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements); (iii) the amount of any reasonable reserve established in accordance with GAAP against any liabilities (other than any taxes deducted pursuant to clause (ii) above) (A) associated with the assets that are the subject of such event and (B) retained by the Borrower or any of the Restricted Subsidiaries, provided that the amount of any subsequent reduction of such reserve (other than in connection with a payment in respect of any such liability) shall be deemed to be Net Cash Proceeds of such event occurring on the date of such reduction and (iv) the pro rata portion of the Net Cash Proceeds thereof (calculated without regard to this clause (iv)) attributable to minority interests and not available for distribution to or for the account of the Borrower or any Domestic Subsidiary as a result thereof and (b) in connection with any Equity Issuance or other issuance or sale of debt securities or instruments or the incurrence of Funded Debt, the cash proceeds received from such issuance or incurrence, net of attorneys’ fees, investment banking fees, accountants’ fees, consulting fees, underwriting discounts and commissions and other customary fees and expenses actually incurred in connection therewith.

“New Facility”: as defined in the definition of “Facility”.

“New Lender”: as defined in Section 2.25.

“New Loan Commitments”: as defined in Section 2.25.

“New Loans”: any loan made by any New Lender pursuant to this Agreement.

“New Revolving Loans”: as defined in Section 2.25.

“New Subsidiary”: as defined in Section 7.2(t).

“New Term Lender”: a Lender that has a New Term Loan.

“New Term Loans”: as defined in Section 2.25.

“Non-Excluded Subsidiary”: any Subsidiary of the Borrower which is not an Excluded Subsidiary.

“Non-Excluded Taxes”: as defined in Section 2.20(a).

“Non-Guarantor Subsidiary”: any Subsidiary of the Borrower which is not a Subsidiary Guarantor.

“Non-Recourse Debt”: Indebtedness (a) with respect to which no default would permit (upon notice, lapse of time or both) any holder of any other Indebtedness of Holdings, the Borrower or any of its Restricted Subsidiaries to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity and (b) as to which the lenders or holders thereof will not have any recourse to the capital stock or assets of Holdings, the Borrower or any of its Restricted Subsidiaries.

“Non-US Lender”: as defined in Section 2.20(d).

“Note”: any promissory note evidencing any Loan, which promissory note shall be in the form of Exhibit J-1, Exhibit J-2, Exhibit J-3 or Exhibit J-4, as applicable, or such other form as agreed upon by the Administrative Agent and the Borrower.

“Obligations”: the unpaid principal of and interest on (including, without limitation, interest accruing after the maturity of the Loans and Reimbursement Obligations and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed or allowable in such proceeding) the Loans, the Reimbursement Obligations and all other obligations and liabilities of the Borrower to the Administrative Agent, the Collateral Agent or to any Lender (or, in the case of Specified Hedge Agreements or Cash Management Obligations of the Borrower or any of its Subsidiaries to the Administrative Agent, the Collateral Agent, any Lender or any affiliate of any Lender), whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, in each case, which may arise under, out of, or in connection with, this Agreement, any other Loan Document, the Letters of Credit, any Specified Hedge Agreement or Cash Management Obligations or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including, without limitation, all fees, charges and disbursements of counsel to the Administrative Agent or any Lender that are required to be paid by the Borrower pursuant hereto) or otherwise; provided that (a) obligations of the Borrower or any of the Subsidiary Guarantors under any Specified Hedge Agreement or any Cash Management Obligations shall be secured and guaranteed pursuant to the Security Documents only to the extent that, and for so long as, the other Obligations are so secured and guaranteed and (b) any release of Collateral or Guarantors effected in the manner permitted by this Agreement shall not require the consent of holders of obligations under Specified Hedge Agreements or Cash Management Obligations.

“Offer”: as defined in Section 2.11(c)(i).

“Offer Loans”: as defined in Section 2.11(c)(i).

“Other Taxes”: any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

“Parent Company”: any direct or indirect parent of Holdings.

“Participant”: as defined in Section 10.6(c).

“Payment Amount”: as defined in Section 3.5.

“PBGC”: the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA (or any successor).

“Permitted Acquisition”: (a) any acquisition (including, if applicable, in the case of any Intellectual Property, by way of license) approved by the Required Lenders, (b) any acquisition made solely with the Net Cash Proceeds of any substantially concurrent Equity Issuance or capital contribution (other than Disqualified Capital Stock) or (c) any acquisition of a majority controlling interest in the Capital Stock, or all or substantially all of the assets, of any Person, or of all or substantially all of the assets constituting a division, product line or business line of any Person (each, an “Acquisition”), if such Acquisition described in this clause (c) complies with the following criteria:

(a) no Event of Default shall be in effect immediately prior to or after giving effect to such Acquisition; and

(b) if the total consideration (other than any equity consideration) in respect of such Acquisition exceeds \$10,000,000, the Borrower shall have delivered to the Administrative Agent a certificate of the Borrower signed by a Responsible Officer to such effect, together with all relevant financial information for such Subsidiary or asset to be acquired reasonably requested by the Administrative Agent prior to such acquisition to the extent available.

“Permitted Business”: the Business and any services, activities or businesses incidental or directly related or similar to any line of business engaged in by the Borrower and its Subsidiaries as of the Closing Date or any business activity that is a reasonable extension, development or expansion thereof or ancillary thereto.

“Permitted Investors”: the collective reference to the Sponsor and its Affiliates (but excluding any operating portfolio companies of the foregoing), the members of management of Holdings and its Subsidiaries that have ownership interests in Holdings as of the Closing Date, and the directors of Holdings and its Subsidiaries or any Parent Company on, or as of no later than 60 days following, the Closing Date.

“Permitted Liquid Investments”: (a) securities issued or directly and fully and unconditionally guaranteed or insured by the United States government or any agency or instrumentality thereof the securities of which are unconditionally guaranteed as a full faith and credit obligation of such government with maturities of 24 months or less from the date of acquisition, (b) certificates of deposit, time deposits and eurodollar time deposits with maturities of 24 months or less from the date of acquisition, bankers’ acceptances with maturities not exceeding 24 months and overnight bank deposits,



in each case, with any domestic commercial bank having capital and surplus in excess of \$250,000,000, (c) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (a) and (b) above entered into with any financial institution meeting the qualifications specified in clause (b) above, (d) commercial paper having a rating of at least A-1 from S&P or P-1 from Moody's (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another rating agency) and maturing within 24 months after the date of acquisition and Indebtedness and Preferred Stock issued by Persons with a rating of "A" or higher from S&P or "A2" or higher from Moody's with maturities of 24 months or less from the date of acquisition, (e) readily marketable direct obligations issued by any state of the United States or any political subdivision thereof having one of the two highest rating categories obtainable from either Moody's or S&P with maturities of 24 months or less from the date of acquisition, (f) marketable short-term money market and similar securities having a rating of at least P-1 or A-1 from Moody's or S&P, respectively (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another rating agency) and in each case maturing within 24 months after the date of creation or acquisition thereof, (g) Investments with average maturities of 12 months or less from the date of acquisition in money market funds rated AA- (or the equivalent thereof) or better by S&P or Aa3 (or the equivalent thereof) or better by Moody's, (h) instruments equivalent to those referred to in clauses (a) through (g) above denominated in euro or pound sterling or any other foreign currency comparable in credit quality and tenor to those referred to above and customarily used by corporations for cash management purposes in any jurisdiction outside the United States to the extent reasonably required in connection with any business conducted by any Restricted Subsidiary organized in such jurisdiction including, without limitation, certificates of deposit or bankers' acceptances of, and bank deposits with, any bank organized under the laws of any country that is a member of the European Economic Community or Canada or any subdivision thereof, whose short-term commercial paper rating from S&P is at least A-1 or the equivalent thereof or from Moody's is at least P-1 or the equivalent thereof, in each case with maturities of not more than 24 months from the date of acquisition and (i) investment in funds which invest substantially all of their assets in Cash Equivalents of the kinds described in clauses (a) through (h) of this definition.

"Permitted Refinancings": with respect to any Person, refinancings, replacements, modifications, refundings, renewals or extensions of Indebtedness provided that (a) there is no increase in the principal amount (or accrued value) thereof (excluding accrued interest, fees, discounts, premiums and expenses), (b) the weighted average life to maturity of such Indebtedness is greater than or equal to the shorter of (i) the weighted average life to maturity of the Indebtedness being refinanced and (ii) the weighted average life to maturity that would result if all payments of principal on the Indebtedness being refinanced that were due on or after the date that is one year following the Tranche B Term Maturity Date were instead due one year following the Tranche B Term Maturity Date, (c) if the Indebtedness being refinanced, refunded, modified, renewed or extended is subordinated in right of payment to the Obligations, such refinancing, refunding, modification, renewal or extension is subordinated in right of payment to the Obligations (A) on terms at least as favorable to the Lenders as those contained in the documentation governing the Indebtedness being refinanced, refunded, modified, renewed or extended, (B) on terms consistent with the then-prevailing market terms for subordination of comparable Indebtedness or (C) on terms to which the Administrative Agent shall agree, (d) the terms and conditions (including, if applicable, as to collateral) of any such refinanced, refunded, modified, renewed or extended Indebtedness are not materially less favorable to the Lenders than the terms and conditions of the Indebtedness being modified, refinanced, refunded, renewed or extended, (e) no Default or Event of Default shall have occurred and be continuing at the time thereof or no Default or Event of Default would result from any such refinancing, refunding, modification, renewal or extension and (f) with respect to any such Indebtedness that is secured, neither the Borrower nor any Restricted Subsidiary shall be an obligor or guarantor of any such refinancings, replacements, refundings, renewals or extensions except to

the extent that such Person was such an obligor or guarantor in respect of the applicable Indebtedness being modified, refinanced, refunded, renewed or extended.

“Permitted Subordinated Indebtedness”: unsecured, senior subordinated or subordinated Indebtedness of the Borrower or any Restricted Subsidiary (including guarantees thereof by the Borrower or any Guarantor, as applicable), provided that (a) no scheduled principal payments, mandatory prepayments, redemptions or sinking fund payments of any Permitted Subordinated Indebtedness shall be required prior to the date at least 180 days following the Tranche B Term Maturity Date (or, such later date that is the latest final maturity date of any incremental extensions of credit hereunder) (other than customary offers to purchase upon a change of control, asset sale, customary acceleration rights upon an event of default and AHYDO Payments), (b) the covenants and events of default of such Permitted Subordinated Indebtedness (i) shall be, taken as a whole, customary for Indebtedness of a similar nature as such Permitted Subordinated Indebtedness or (ii) shall otherwise not have been objected to by the Administrative Agent, after the Administrative Agent shall have been afforded a period of five Business Days to review such terms of such Permitted Subordinated Indebtedness, (c) the terms of subordination applicable to any Permitted Subordinated Indebtedness shall be (i) taken as a whole, customary for unsecured subordinated high yield debt securities issued by any Affiliates of the Sponsor or (ii) shall otherwise not have been objected to by the Administrative Agent, after the Administrative Agent shall have been afforded a period of five Business Days to review such terms of such Permitted Subordinated Indebtedness and (d) no Default or Event of Default shall have occurred and be continuing at the time of incurrence of such Indebtedness or would result therefrom.

“Person”: an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

“Plan”: at a particular time, any employee benefit plan as defined in Section 3(3) of ERISA and in respect of which Holdings, the Borrower or any of its Restricted Subsidiaries is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA, including a Multiemployer Plan.

“Pledged Securities”: as defined in the Guarantee and Collateral Agreement.

“Pledged Stock”: as defined in the Guarantee and Collateral Agreement.

“Prepayment Option Notice”: as defined in Section 2.12(e).

“Pricing Grid”: the table set forth below:

Consolidated Total Leverage Ratio	Applicable Margin for Tranche A Term Loans that are Eurocurrency Loans	Applicable Margin for Tranche A Term Loans that are ABR Loans	Applicable Margin for Revolving Loans that are Eurocurrency Loans	Applicable Margin for Revolving Loans that are ABR Loans and Swingline Loans	Applicable Commitment Fee Rate
≥ 4.00:1.00	4.00%	3.00%	4.00%	3.00%	
< 4.00:1.00	3.75%	2.75%	3.75%	2.75%	
≥ 3.50:1.00					0.500%
< 3.50:1.00					0.375%

Changes in the Applicable Margin with respect to Loans or the Applicable Commitment Fee Rate resulting from changes in the Consolidated Total Leverage Ratio shall become effective on the date on which financial statements are delivered to the Lenders pursuant to Section 6.1 and shall remain in effect until the next change to be effected pursuant to this paragraph. If any financial statements referred to above are not delivered within the time periods specified in Section 6.1, then, at the option of (and upon the delivery of notice (telephonic or otherwise) by) the Administrative Agent or the Required Lenders, until such financial statements are delivered, the Consolidated Total Leverage Ratio as at the end of the fiscal period that would have been covered thereby shall for the purposes of this definition be deemed to be greater than 4.00 to 1.00. In addition, at all times while an Event of Default set forth in Section 8.1(a) or 8.1(f) shall have occurred and be continuing, the Consolidated Total Leverage Ratio shall for the purposes of the Pricing Grid be deemed to be greater than 4.00 to 1.00.

“Prime Rate”: as defined in the definition of “ABR”.

“Property”: any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible, including, without limitation, Capital Stock.

“Public Company Costs”: costs relating to compliance with the provisions of the Securities Act and the Exchange Act, as applicable to companies with equity or debt securities held by the public, the rules of national securities exchange companies with listed equity or debt securities, directors’ compensation, fees and expense reimbursement, costs relating to investor relations, shareholder meetings and reports to shareholders or debtholders, directors and officers’ insurance and other executive costs, legal and other professional fees, and listing fees.

“Qualified Capital Stock”: any Capital Stock that is not Disqualified Capital Stock.

“Rate Determination Notice”: as defined in Section 2.22.

“Ratio Calculation Date”: as defined in Section 1.3(a).

“Real Property”: collectively, all right, title and interest of the Borrower or any other Subsidiary in and to any and all parcels of real property owned or operated by the Borrower or any other Subsidiary together with all improvements and appurtenant fixtures, easements and other property and rights incidental to the ownership, lease or operation thereof.

“Recapitalization Transactions”: the incurrence by the Borrower of Tranche C Term Loans, and the use of the net proceeds thereof, together with other funds, to (i) pay dividends or make other distributions (including payments in respect of stock options) to holders of the Capital Stock of the Borrower, Holdings or any Parent Company and (ii) pay, or permit Holdings or any Parent Company to pay, amounts due in respect of the Deferred Obligation Amount under and as defined in the Merger Agreement.

“**Recovery Event**”: any settlement of or payment in respect of any Property or casualty insurance claim or any condemnation proceeding relating to any asset of the Borrower or any Domestic Subsidiary that is a Restricted Subsidiary, in an amount for each such event exceeding \$1,000,000.

“**Reference Period**”: the period of four fiscal quarters most recently ended immediately prior to the date of any specified event for which financial statements have been delivered pursuant to Section 6.1.

“**Refinanced Term Loans**”: as defined in Section 10.1.

“**Refinancing**”: the repayment of certain existing Indebtedness of the Company on the Closing Date.

“**Refunded Swingline Loans**”: as defined in Section 2.7(b).

“**Register**”: as defined in Section 10.6(b)(iv).

“**Regulation U**”: Regulation U of the Board as in effect from time to time.

“**Reimbursement Obligation**”: the obligation of the Borrower to reimburse an Issuing Lender pursuant to Section 3.5 for amounts drawn under Letters of Credit issued by such Issuing Lender.

“**Reinvestment Deferred Amount**”: with respect to any Reinvestment Event, the aggregate Net Cash Proceeds received by any Loan Party for its own account in connection therewith that are not applied to prepay the Term Loans pursuant to Section 2.12 as a result of the delivery of a Reinvestment Notice.

“**Reinvestment Event**”: any Asset Sale or Recovery Event in respect of which a Loan Party has delivered a Reinvestment Notice.

“**Reinvestment Notice**”: a written notice signed on behalf of any Loan Party by a Responsible Officer stating that such Loan Party (directly or indirectly through a Subsidiary) intends and expects to use all or a specified portion of the Net Cash Proceeds of an Asset Sale or Recovery Event to acquire assets or make investments useful in the Business.

“**Reinvestment Prepayment Amount**”: with respect to any Reinvestment Event, the Reinvestment Deferred Amount relating thereto less any amount contractually committed by the applicable Loan Party (directly or indirectly through a Subsidiary) to be expended prior to the relevant Reinvestment Prepayment Date (a “**Committed Reinvestment Amount**”), or actually expended prior to such date, in each case to acquire assets or make investments useful in the Business.

“**Reinvestment Prepayment Date**”: with respect to any Reinvestment Event, the earlier of (i) the date occurring 12 months after such Reinvestment Event and (ii) with respect to any portion of a Reinvestment Deferred Amount, the date on which any Loan Party shall have determined not to acquire assets or make investments useful in the Business with such portion of such Reinvestment Deferred Amount.

“**Related Business Assets**”: assets (other than cash, Cash Equivalents or Permitted Liquid Investments) used or useful in a Permitted Business; provided that any assets received by the Borrower or a Restricted Subsidiary in exchange for assets transferred by the Borrower or a Restricted Subsidiary shall

not be deemed to be Related Business Assets if they consist of securities of a Person, unless upon receipt of the securities of such Person, such Person would become a Restricted Subsidiary.

“**Release**”: any release, spill, emission, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into or through the environment or within or upon any building, structure or facility.

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

“**Replacement Term Loans**”: as defined in Section 10.1.

“**Reportable Event**”: any of the events set forth in Section 4043(c) of ERISA, other than those events as to which the thirty day notice period is waived by the PBGC in accordance with the regulations thereunder.

“**Representatives**”: as defined in Section 10.14.

“**Repricing Transaction**”: any prepayment of the Tranche B Term Loans using proceeds of Indebtedness incurred by the Borrower or one or more Subsidiaries from a substantially concurrent issuance or incurrence of secured, syndicated term loans, including, without limitation, by way of Replacement Loans incurred pursuant to Section 10.1(d), provided by one or more banks, financial institutions or other Persons for which the interest rate payable thereon (disregarding any performance or ratings based pricing grid that could result in a lower interest rate based on future performance) is lower than the Eurocurrency Rate on the date of such optional prepayment plus the Applicable Margin with respect to the Tranche B Term Loans on the date of such optional prepayment, provided that the primary purpose of such prepayment is to refinance Tranche B Term Loans at a lower interest rate.

“**Required Lenders**”: at any time, the holders of more than 50% of (a) until the Closing Date, the Commitments then in effect and (b) thereafter, the sum of (i) the aggregate unpaid principal amount of the Term Loans then outstanding, (ii) the Revolving Commitments then in effect or, if the Revolving Commitments have been terminated, the Revolving Extensions of Credit then outstanding and (iii) the New Loan Commitments then in effect in respect of any New Facility that is a revolving credit facility or, if such New Loan Commitments have been terminated, the New Revolving Loans then outstanding; provided, however, that determinations of the “Required Lenders” shall exclude any Commitments or Loans held by the Carlyle Fund.

“**Required Prepayment Lenders**”: the holders of more than 50% of the aggregate unpaid principal amount of the Tranche A Term Loans, the Tranche B Term Loans and the Tranche C Term Loans.

“**Requirement of Law**”: as to any Person, the certificate of incorporation and by-laws 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.

“**Responsible Officer**”: the chief executive officer, president, chief financial officer (or similar title) controller or treasurer (or similar title) of Holdings or the Borrower, as applicable, or (with respect to Section 6.7) any Restricted Subsidiary and, with respect to financial matters, the chief financial

officer (or similar title), controller or treasurer (or similar title) of Holdings or the Borrower, as applicable.

“Restricted Payments”: as defined in Section 7.6.

“Restricted Subsidiary”: any Subsidiary of the Borrower which is not an Unrestricted Subsidiary.

“Revolving Commitment Period”: the period from and including the Closing Date to the Revolving Termination Date.

“Revolving Commitments”: as to any Revolving Lender, the obligation of such Lender, if any, to make Revolving Loans and participate in Swingline Loans and Letters of Credit in an aggregate principal and/or face amount not to exceed the amount set forth under the heading “Revolving Commitment” opposite such Lender’s name on Schedule 2.1A, or, as the case may be, in the Assignment and Assumption pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof. The Revolving Commitment of each Revolving Lender as of the Amendment and Restatement Effective Date is equal to the sum of such Revolving Lender’s Existing Revolving Commitment, if any, and Additional Revolving Commitment, if any. The aggregate amount of the Revolving Commitments as of the Amendment and Restatement Effective Date is \$245,000,000.

“Revolving Extensions of Credit”: as to any Revolving Lender at any time, an amount equal to the sum of, without duplication (a) the aggregate principal amount of all Revolving Loans held by such Lender then outstanding, (b) such Lender’s Revolving Percentage of the L/C Obligations then outstanding and (c) such Lender’s Revolving Percentage of the aggregate principal amount of Swingline Loans then outstanding.

“Revolving Facility”: as defined in the definition of “Facility”.

“Revolving Lender”: each Lender that has a Revolving Commitment or that holds Revolving Loans.

“Revolving Loans”: as defined in Section 2.4(a).

“Revolving Percentage” as to any Revolving Lender at any time, the percentage which such Lender’s Revolving Commitment then constitutes of the aggregate Revolving Commitments or, at any time after the Revolving Commitments shall have expired or terminated, the percentage which such Revolving Lender’s Revolving Extensions of Credit then outstanding constitutes of the aggregate Revolving Extensions of Credit then outstanding.

“Revolving Termination Date”: the sixth anniversary of the Closing Date.

“S&P”: Standard & Poor’s Ratings Group, Inc., or any successor to the rating agency business thereof.

“Screen”: the relevant display page for the Eurocurrency Base Rate (as reasonably determined by the Administrative Agent) on the Bloomberg Information Service or any successor thereto; provided that if the Administrative Agent determines that there is no such relevant display page or otherwise in Bloomberg for the Eurocurrency Base Rate, “Screen” means such other comparable publicly

available service for displaying the Eurocurrency Base Rate (as reasonably determined by the Administrative Agent).

“SEC”: the Securities and Exchange Commission (or successors thereto or an analogous Governmental Authority).

“Secured Parties”: collectively, the Lenders, the Administrative Agent, the Collateral Agent, the Swingline Lender, any Issuing Lender, any other holder from time to time of any of the Obligations and, in each case, their respective successors and permitted assigns.

“Securities Act”: the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

“Security”: as defined in the Guarantee and Collateral Agreement.

“Security Documents”: the collective reference to the Guarantee and Collateral Agreement and all other security documents (including any Mortgages) hereafter delivered to the Administrative Agent or the Collateral Agent purporting to grant a Lien on any Property of any Loan Party to secure the Obligations.

“Single Employer Plan”: any Plan (other than a 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 Commonly Controlled Entity 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.

“Solvent”: with respect to any Person, as of any date of determination, (a) the amount of the “present fair saleable value” of the assets of such Person will, as of such date, exceed the amount of all “liabilities of such Person, contingent or otherwise”, as of such date, as such quoted terms are determined in accordance with applicable federal and state laws governing determinations of the solvency of debtors, (b) the present fair saleable value of the assets of such Person will, as of such date, be greater than the amount that will be required to pay the liability of such Person on its debts as such debts become absolute and matured, (c) such Person will not have, as of such date, an unreasonably small amount of capital with which to conduct its business and (d) such Person will be able to pay its debts as they mature. For purposes of this definition, (i) “debt” means liability on a “claim”, (ii) “claim” means any (x) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (y) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured and (iii) except as otherwise provided by applicable law, the amount of “contingent liabilities” at any time shall be the amount thereof which, in light of all the facts and circumstances existing at such time, can reasonably be expected to become actual or matured liabilities.

“Special Purpose Entity”: Booz Allen Hamilton Intellectual Property Holdings, LLC or any other Person formed or organized primarily for the purpose of holding trademarks, service marks, trade names, logos, slogans and/or internet domain names containing the mark “Booz” without the names “Allen” or “Hamilton” and licensing such marks to Booz & Company Inc. and its affiliates.

“Specified Equity Contribution”: as defined in Section 8.2.

**“Specified Hedge Agreement”**: any Hedge Agreement (a) entered into by (i) the Borrower or any Subsidiary Guarantor and (ii) any Lender or any affiliate thereof at the time such Hedge Agreement was entered into, as counterparty and (b) that has been designated by such Lender and the Borrower, by notice to the Administrative Agent, as a Specified Hedge Agreement. The designation of any Hedge Agreement as a Specified Hedge Agreement shall not create in favor of the Lender or affiliate thereof that is a party thereto any rights in connection with the management or release of any Collateral or of the obligations of any Guarantor under the Guarantee and Collateral Agreement. For the avoidance of doubt, all Hedge Agreements in existence on the Closing Date between the Borrower or any Subsidiary Guarantor and any Lender shall constitute Specified Hedge Agreements.

**“Specified Representations”**: (a) the representations made by the Company in the Merger Agreement as are material to the interests of the Lenders, but only to the extent that the Borrower has the right to terminate its obligations under the Merger Agreement as a result of the breach of such representations and (b) the representations and warranties set forth in Sections 4.2(a), 4.4(a), 4.4(c), 4.11 and 4.13.

**“Spin Off Agreement”**: the Spin Off Agreement, dated as of May 15, 2008, by and among the Company, Booz & Company Holdings, LLC, Booz & Company Inc., Booz & Company Intermediate I Inc. and Booz & Company Intermediate II Inc.

**“Sponsor”**: The Carlyle Group and any Affiliates thereof (but excluding any operating portfolio companies of the foregoing).

**“Subsidiary”**: as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the Board of Directors of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person; provided that any joint venture that is not required to be consolidated with the Borrower and its consolidated Subsidiaries in accordance with GAAP shall not be deemed to be a “Subsidiary” for purposes hereof. Unless otherwise qualified, all references to a “Subsidiary” or to “Subsidiaries” in this Agreement shall refer to a direct or indirect Subsidiary or Subsidiaries of the Borrower.

**“Subsidiary Guarantors”**: (a) each Subsidiary other than any Excluded Subsidiary and (b) any other Subsidiary of the Borrower that is a party to the Guarantee and Collateral Agreement.

**“Swingline Commitment”**: the obligation of the Swingline Lender to make Swingline Loans pursuant to Section 2.6 in an aggregate principal amount at any one time outstanding not to exceed \$80,000,000.

**“Swingline Lender”**: (a) Credit Suisse AG, Cayman Islands Branch (f/k/a Credit Suisse), in its capacity as the lender of Swingline Loans or (b) upon the resignation of Credit Suisse AG, Cayman Islands Branch (f/k/a Credit Suisse) as a Swingline Lender, any Revolving Lender from time to time designated by the Borrower, in its sole discretion, as the Swingline Lender (with the consent of such other Revolving Lender).

**“Swingline Loans”**: as defined in Section 2.6(a).

**“Swingline Participation Amount”**: as defined in Section 2.7(c).



“Taxes”: all present and future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Term Lenders”: the collective reference to the Tranche A Term Lenders, the Tranche B Term Lenders and the Tranche C Term Lenders.

“Term Loans”: the collective reference to the Tranche A Term Loans, the Tranche B Term Loans, the Tranche C Term Loans and the New Term Loans, if any.

“Test Period”: on any date of determination, the period of four consecutive fiscal quarters of the Borrower (in each case taken as one accounting period) most recently ended on or prior to such date for which financial statements have been or are required to be delivered pursuant to Section 6.1.

“Tranche”: as defined in Section 2.25.

“Tranche A Term Commitment”: as to any Lender, the obligation of such Lender, if any, to make a Tranche A Term Loan to the Borrower in a principal amount not to exceed the amount set forth under the heading “Tranche A Term Commitment” opposite such Lender’s name on Schedule 2.1 to the Existing Credit Agreement, or, as the case may be, in the Assignment and Assumption pursuant to which such Lender became a party hereto. The original aggregate amount of the Tranche A Term Commitments is \$125,000,000.

“Tranche A Term Facility”: as defined in the definition of “Facility”.

“Tranche A Term Lender”: each Lender that has a Tranche A Term Commitment or that holds a Tranche A Term Loan.

“Tranche A Term Loan”: as defined in Section 2.1.

“Tranche A Term Maturity Date”: the sixth anniversary of the Closing Date.

“Tranche A Term Percentage”: as to any Tranche A Term Lender at any time on the Closing Date (but prior to the initial funding of the Tranche A Term Loans), the percentage which the sum of such Lender’s Tranche A Term Commitments then constitutes of the aggregate Tranche A Term Commitments (or, at any time after the Closing Date, the percentage which the aggregate principal amount of such Lender’s Tranche A Term Loans then outstanding constitutes of the aggregate principal amount of the Tranche A Term Loans then outstanding).

“Tranche B Prepayment Amount”: as defined in Section 2.12(e).

“Tranche B Term Commitment”: as to any Lender, the obligation of such Lender, if any, to make a Tranche B Term Loan to the Borrower in a principal amount not to exceed the amount set forth under the heading “Tranche B Term Commitment” opposite such Lender’s name on Schedule 2.1 to the Existing Credit Agreement, or, as the case may be, in the Assignment and Assumption pursuant to which such Lender became a party hereto. The original aggregate amount of the Tranche B Term Commitments is \$585,000,000.

“Tranche B Term Facility”: as defined in the definition of “Facility”.

“Tranche B Term Lender”: each Lender that has a Tranche B Term Commitment or that holds a Tranche B Term Loan.

“Tranche B Term Loan”: as defined in Section 2.1.

“Tranche B Term Maturity Date”: the seventh anniversary of the Closing Date.

“Tranche B Term Percentage”: as to any Tranche B Term Lender at any time on the Closing Date (but prior to the initial funding of the Tranche B Term Loans), the percentage which the sum of such Lender’s Tranche B Term Commitments then constitutes of the aggregate Tranche B Term Commitments (or, at any time after the Closing Date, the percentage which the aggregate principal amount of such Lender’s Tranche B Term Loans then outstanding constitutes of the aggregate principal amount of the Tranche B Term Loans then outstanding).

“Tranche C Term Commitment”: as to any Lender, the obligation of such Lender, if any, to make a Tranche C Term Loan to the Borrower in a principal amount not to exceed the amount set forth under the heading “Tranche C Term Commitment” opposite such Lender’s name on Schedule 2.1A. The original aggregate amount of the Tranche C Term Commitments is \$350,000,000.

“Tranche C Term Facility”: as defined in the definition of “Facility”.

“Tranche C Term Lender”: each Lender that has a Tranche C Term Commitment or that holds a Tranche C Term Loan.

“Tranche C Term Loan”: as defined in Section 2.1.

“Tranche C Term Maturity Date”: the seventh anniversary of the Closing Date.

“Tranche C Term Percentage”: as to any Tranche C Term Lender, the percentage which the aggregate principal amount of such Lender’s Tranche C Term Loans then outstanding constitutes of the aggregate principal amount of the Tranche C Term Loans then outstanding.

“Transaction Documents”: the Merger Documents, the Loan Documents and the Mezzanine Loan Documents.

“Transactions”: (a) the transactions to occur pursuant to the Transaction Documents, (b) the Refinancing and (c) the Company Reorganization.

“Transferee”: any Assignee or Participant.

“Trigger Date”: as defined in Section 2.12(b).

“Type”: as to any Loan, its nature as an ABR Loan or Eurocurrency Loan.

“United States”: the United States of America.

“Unrestricted Subsidiary”: (i) any Subsidiary of the Borrower designated as such and listed on Schedule 4.14 on the Closing Date and (ii) any Subsidiary of the Borrower that is designated by a resolution of the Board of Directors of the Borrower as an Unrestricted Subsidiary, but only to the extent that, in the case of each of clauses (i) and (ii), such Subsidiary: (a) has no Indebtedness other than

Non-Recourse Debt; (b) is not party to any agreement, contract, arrangement or understanding with Holdings, the Borrower or any Restricted Subsidiary unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to Holdings, the Borrower or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of Holdings or the Borrower; (c) is a Person with respect to which neither Holdings, the Borrower nor any of the Restricted Subsidiaries has any direct or indirect obligation (x) to subscribe for additional Capital Stock or warrants, options or other rights to acquire Capital Stock or (y) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; and (d) does not guarantee or otherwise provide credit support after the time of such designation for any Indebtedness of Holdings, the Borrower or any of its Restricted Subsidiaries, in the case of clauses (a), (b) and (c), except to the extent not otherwise prohibited by Section 7. If, at any time, any Unrestricted Subsidiary would fail to meet the foregoing requirements as an Unrestricted Subsidiary, it shall thereafter cease to be an Unrestricted Subsidiary for purposes hereof. Subject to the foregoing, the Borrower may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary or any Restricted Subsidiary to be an Unrestricted Subsidiary; provided that (i) such designation shall only be permitted if no Default or Event of Default would be in existence following such designation and after giving effect to such designation the Borrower shall be in pro forma compliance with the financial covenants set forth in Section 7.1, (ii) any designation of an Unrestricted Subsidiary as a Restricted Subsidiary shall be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of any outstanding Indebtedness of such Unrestricted Subsidiary and (iii) any designation of a Restricted Subsidiary as an Unrestricted Subsidiary shall be deemed to be an Investment in an Unrestricted Subsidiary and shall reduce amounts available for Investments in Unrestricted Subsidiaries permitted by Section 7.7 in an amount equal to the fair market value of the Subsidiary so designated; provided that the Borrower may subsequently redesignate any such Unrestricted Subsidiary as a Restricted Subsidiary so long as the Borrower does not subsequently re-designate such Restricted Subsidiary as an Unrestricted Subsidiary for a period of the succeeding four fiscal quarters.

"US Lender": as defined in Section 2.20(e).

1.2 Other Definitional Provisions. (a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the other Loan Documents or any certificate or other document made or delivered pursuant hereto or thereto.

(b) As used herein and in the other Loan Documents, and any certificate or other document made or delivered pursuant hereto or thereto, (i) accounting terms relating to the Borrower and its Subsidiaries not defined in Section 1.1 and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP, (ii) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation", and (iii) references to agreements or other Contractual Obligations shall, unless otherwise specified, be deemed to refer to such agreements or Contractual Obligations as amended, supplemented, restated or otherwise modified from time to time.

(c) The words "hereof", "herein" and "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Annex, Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(d) The term "license" shall include sub-license. The term "documents" includes any and all documents whether in physical or electronic form.

The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

1.3 Pro Forma Calculations. Solely for purposes of determining whether any action is otherwise permitted to be taken hereunder, the Consolidated Total Leverage Ratio and Consolidated Net Interest Coverage Ratio shall be calculated as follows:

(a) In the event that the Borrower or any Restricted Subsidiary incurs, assumes, guarantees, redeems, retires or extinguishes any Indebtedness subsequent to the commencement of the period for which such ratio is being calculated but prior to or simultaneously with the event for which the calculation of such ratio is made (a "Ratio Calculation Date"), then such ratio shall be calculated giving pro forma effect to such incurrence, assumption, guarantee, redemption, retirement or extinguishment of Indebtedness as if the same had occurred at the beginning of the applicable four-quarter period.

(b) For purposes of making the computation referred to above, if any acquisitions, Dispositions or designations of Unrestricted Subsidiaries or Restricted Subsidiaries are made (or committed to be made pursuant to a definitive agreement) during the four-quarter reference period or subsequent to such reference period and on or prior to or simultaneously with the relevant Ratio Calculation Date, Consolidated EBITDA shall be calculated on a pro forma basis, assuming that all such acquisitions, Dispositions and designations had occurred on the first day of the four-quarter reference period in a manner consistent, where applicable, with the pro forma adjustments set forth in clause (j) of and the last proviso of the first sentence of the definition of "Consolidated EBITDA". If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into the Borrower or any of its Restricted Subsidiaries since the beginning of such period shall have made any acquisition or Disposition, in each case with respect to a business or an operating unit of a business, that would have required adjustment pursuant to this provision, then such ratio shall be calculated giving pro forma effect thereto for such period as if such acquisition or Disposition had occurred at the beginning of the applicable four-quarter period.

## SECTION 2. AMOUNT AND TERMS OF COMMITMENTS

2.1 Term Commitments. Subject to the terms and conditions hereof, (a) each Tranche A Term Lender severally agrees to make a term loan (a "Tranche A Term Loan") in Dollars to the Borrower on the Closing Date in an amount which will not exceed the amount of the Tranche A Term Commitment of such Lender, (b) each Tranche B Term Lender severally agrees to make a term loan (a "Tranche B Term Loan") in Dollars to the Borrower on the Closing Date in an amount which will not exceed the amount of the Tranche B Term Commitment of such Lender and (c) each Tranche C Term Lender severally agrees to make a term loan (a "Tranche C Term Loan") in Dollars to the Borrower on the Amendment and Restatement Effective Date in an amount which will not exceed the amount of the Tranche C Term Commitment of such Lender. The Borrower and the Lenders acknowledge that the Term Loans funded on the Closing Date will be funded with original issue discount of 2%. The Borrower and the Lenders acknowledge that the Tranche C Term Loans funded on the Amendment and Restatement Effective Date will be funded with original issue discount of 1%. Notwithstanding the foregoing, the aggregate outstanding principal amount of the Term Loans for all purposes of this Agreement and the other Loan Documents shall be the stated principal amount thereof outstanding from time to time. The Term Loans may from time to time be Eurocurrency Loans or ABR Loans, as determined by the Borrower and notified to the Administrative Agent in accordance with Sections 2.2 and 2.13.

2.2 Procedure for Term Loan Borrowing. The Borrower shall give the Administrative Agent irrevocable written notice (which notice must be received by the Administrative Agent prior to 12:00 Noon, New York City time, one Business Day prior to the anticipated Closing Date or Amendment and Restatement Effective Date, as applicable) requesting that the applicable Term Lenders make the applicable Term Loans on the Closing Date or Amendment and Restatement Effective Date, as applicable, and specifying the amount to be borrowed and the requested Interest Period, if applicable. Upon receipt of such notice the Administrative Agent shall promptly notify each applicable Term Lender thereof. Not later than 11:00 A.M., New York City time, on the Closing Date or Amendment and Restatement Effective Date, as applicable, each applicable Term Lender shall make available to the Administrative Agent at the Funding Office an amount in immediately available funds equal to the Term Loan or Term Loans to be made by such Lender on such date. The Administrative Agent shall credit the account designated in writing by the Borrower to the Administrative Agent with the aggregate of the amounts made available to the Administrative Agent by the Term Lenders in immediately available funds.

2.3 Repayment of Term Loans. (a) The Tranche A Term Loan of each Tranche A Term Lender shall be payable on each date set forth below in an amount set forth opposite such date (expressed as a percentage of the stated principal amount of the Tranche A Term Loans funded on the Closing Date) (as adjusted to reflect any prepayments thereof), with the remaining balance thereof payable on the Tranche A Term Maturity Date.

Date	Amount
December 31, 2008	1.25%
March 31, 2009	1.25%
June 30, 2009	1.25%
September 30, 2009	1.25%
December 31, 2009	2.50%
March 31, 2010	2.50%
June 30, 2010	2.50%
September 30, 2010	2.50%
December 31, 2010	2.50%
March 31, 2011	2.50%
June 30, 2011	2.50%
September 30, 2011	2.50%
December 31, 2011	3.75%
March 31, 2012	3.75%
June 30, 2012	3.75%
September 30, 2012	3.75%
December 31, 2012	5.00%
March 31, 2013	5.00%
June 30, 2013	5.00%
September 30, 2013	5.00%

(b) The Tranche B Term Loan of each Tranche B Term Lender shall be payable in equal consecutive quarterly installments, commencing on December 31, 2008, on the last Business Day of each March, June, September and December following the Closing Date in an amount equal to one quarter of one percent (0.25%) of the stated principal amount of the Tranche B Term Loans funded on the Closing Date (as adjusted to reflect any prepayments thereof), with the remaining balance thereof payable on the Tranche B Term Maturity Date.

(c) The Tranche C Term Loan of each Tranche C Term Lender shall be payable in equal consecutive quarterly installments, commencing on March 31, 2010, on the last Business Day of each March, June, September and December following the Amendment and Restatement Effective Date in an amount equal to one quarter of one percent (0.25%) of the stated principal amount of the Tranche C Term Loans funded on the Amendment and Restatement Effective Date (as adjusted to reflect any prepayments thereof), with the remaining balance thereof payable on the Tranche C Term Maturity Date.

2.4 Revolving Commitments. (a) Subject to the terms and conditions hereof, each Revolving Lender severally agrees to make revolving credit loans ("Revolving Loans") in Dollars to the Borrower from time to time during the Revolving Commitment Period in an aggregate principal amount at any one time outstanding which when added to such Lender's Revolving Percentage of the sum of (i) the L/C Obligations then outstanding and (ii) the aggregate principal amount of the Swingline Loans then outstanding, does not exceed the amount of such Lender's Revolving Commitment. During the Revolving Commitment Period, the Borrower may use the Revolving Commitments by borrowing, prepaying the Revolving Loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof. The Revolving Loans may from time to time be Eurocurrency Loans or ABR Loans, as determined by the Borrower and notified to the Administrative Agent in accordance with Sections 2.5 and 2.13.

(b) The Borrower shall repay all outstanding Revolving Loans made to it on the Revolving Termination Date.

(c) On the Amendment and Restatement Effective Date, (i) the Revolving Commitment of each Additional Revolving Lender that has an Existing Revolving Commitment shall be automatically and without further action increased by an amount equal to such Additional Revolving Lender's Additional Revolving Commitment and (ii) each Additional Revolving Lender that does not have an Existing Revolving Commitment shall automatically and without further action provide a new Revolving Commitment in an amount equal to such Revolving Lender's Additional Revolving Commitment.

2.5 Procedure for Revolving Loan Borrowing. The Borrower may borrow under the Revolving Commitments during the Revolving Commitment Period on any Business Day; provided that the Borrower shall give the Administrative Agent irrevocable written notice (which notice must be received by the Administrative Agent (i) in the case of Eurocurrency Loans, prior to 12:00 Noon, New York City time, three Business Days prior to the requested Borrowing Date or (ii) in the case of ABR Loans, prior to 12:00 Noon, New York City time, one Business Day prior to the proposed Borrowing Date), specifying (x) the amount and Type of Revolving Loans to be borrowed, (y) the requested Borrowing Date and (z) in the case of Eurocurrency Loans, the respective amounts of each such Type of Loan and the respective lengths of the initial Interest Period therefor. The aggregate principal amount of all Revolving Loans made on the Closing Date shall not exceed \$25,000,000 (which amount, for the avoidance of doubt, shall not include the face amount of any outstanding Letters of Credit). Each borrowing by the Borrower under the Revolving Commitments shall be in an amount equal to (x) in the case of ABR Loans, \$1,000,000 or a whole multiple of \$100,000 in excess thereof (or, if the then aggregate Available Revolving Commitments are less than \$1,000,000, such lesser amount) and (y) in the case of Eurocurrency Loans, \$1,000,000 or a whole multiple of \$500,000 in excess thereof; provided that the Swingline Lender may request, on behalf of the Borrower, borrowings under the Revolving Commitments that are ABR Loans in other amounts pursuant to Section 2.7(a). Upon receipt of any such notice from the Borrower, the Administrative Agent shall promptly notify each Revolving Lender thereof. Each Revolving Lender will make the amount of its pro rata share of each borrowing available to the Administrative Agent for the account of the Borrower at the Funding Office prior to 11:00 A.M., New York City time, on the Borrowing Date requested by the Borrower in funds immediately available to the

Administrative Agent. Such borrowing will then be made available to the Borrower by the Administrative Agent crediting the account designated in writing by the Borrower to the Administrative Agent with the aggregate of the amounts made available to the Administrative Agent by such Revolving Lenders and in like funds as received by the Administrative Agent. If no election as to the Type of a Revolving Loan is specified, then the requested Loan shall be an ABR Loan. If no Interest Period is specified with respect to any requested Eurocurrency Loan, the Borrower shall be deemed to have selected an Interest Period of one month's duration.

2.6 Swingline Commitment. (a) Subject to the terms and conditions hereof, the Swingline Lender agrees to make a portion of the credit otherwise available to the Borrower under the Revolving Commitments from time to time during the Revolving Commitment Period by making swing line loans ("Swingline Loans") in Dollars to the Borrower; provided that (i) the aggregate principal amount of Swingline Loans outstanding at any time shall not exceed the Swingline Commitment then in effect (provided that the Swingline Loans outstanding at any time, when aggregated with the Swingline Lenders' other outstanding Revolving Loans, may exceed the Swingline Commitment then in effect) and (ii) the Borrower shall not request, and the Swingline Lender shall not make, any Swingline Loan if, after giving effect to the making of such Swingline Loan, the aggregate amount of the Available Revolving Commitments under the Revolving Commitments would be less than zero. During the Revolving Commitment Period, the Borrower may use the Swingline Commitment by borrowing, repaying and reborrowing, all in accordance with the terms and conditions hereof. Swingline Loans shall be ABR Loans only.

(b) The Borrower shall repay to the Swingline Lender the then unpaid principal amount of each Swingline Loan on the Revolving Termination Date.

2.7 Procedure for Swingline Borrowing; Refunding of Swingline Loans. (a) Whenever the Borrower desires that the Swingline Lender make Swingline Loans it shall give the Swingline Lender and the Administrative Agent irrevocable written notice (which notice must be received by the Swingline Lender and the Administrative Agent not later than 12:00 Noon, New York City time, on the proposed Borrowing Date, specifying (i) the amount to be borrowed and (ii) the requested Borrowing Date (which shall be a Business Day during the Revolving Commitment Period). Each borrowing under the Swingline Commitment shall be in an amount equal to \$500,000 or a whole multiple of \$100,000 in excess thereof. Not later than 3:00 P.M., New York City time, on the Borrowing Date specified in a notice in respect of Swingline Loans, the Swingline Lender shall make available to the Administrative Agent at the Funding Office an amount in immediately available funds equal to the amount of the Swingline Loan to be made by the Swingline Lender. The Administrative Agent shall make the proceeds of such Swingline Loan available to the Borrower on such Borrowing Date by depositing such proceeds in the account of the Borrower with the Administrative Agent or as otherwise directed by the Borrower on such Borrowing Date in immediately available funds.

(b) The Swingline Lender, at any time and from time to time in its sole and absolute discretion may, on behalf of the Borrower (which hereby irrevocably directs such Swingline Lender to act on its behalf), request each Revolving Lender to make, and each such Revolving Lender hereby agrees to make, a Revolving Loan, in an amount equal to such Revolving Lender's Revolving Percentage of the aggregate amount of the Swingline Loans (the "Refunded Swingline Loans") outstanding on the date of such notice, to repay such Swingline Lender. Each Revolving Lender shall make the amount of Revolving Loans available to the Administrative Agent at the Funding Office in immediately available funds on the date of such request or, if such request is made after 10:00 A.M., New York City time on any Business Day, not later than 10:00 A.M., New York City time, on the next Business Day. The proceeds of such Revolving Loans shall be immediately made available by the Administrative Agent to the

Swingline Lender for application by the Swingline Lender to the repayment of the Refunded Swingline Loans.

(c) If prior to the time a Revolving Loan would have otherwise been made pursuant to Section 2.7(b), one of the events described in Section 8.1(f) shall have occurred and be continuing with respect to the Borrower or if for any other reason, as determined by the Swingline Lender in its sole discretion, Revolving Loans may not be made as contemplated by Section 2.7(b), each Revolving Lender shall, on the date such Revolving Loan was to have been made pursuant to the notice referred to in Section 2.7(b), purchase for cash an undivided participating interest in the then outstanding Swingline Loans by paying to the Swingline Lender an amount (the "Swingline Participation Amount") equal to (A) such Revolving Lender's Revolving Percentage times (B) the sum of the aggregate principal amount of Swingline Loans then outstanding that were to have been repaid with such Revolving Loans.

(d) Whenever, at any time after the Swingline Lender has received from any Revolving Lender such Lender's Swingline Participation Amount with respect to any Swingline Loans, the Swingline Lender receives any payment on account of such Swingline Loans, the Swingline Lender will distribute to such Lender its Swingline Participation Amount with respect thereto (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's participating interest was outstanding and funded and, in the case of principal and interest payments, to reflect such Lender's pro rata portion of such payment if such payment is not sufficient to pay the principal of and interest on all such Swingline Loans then due); provided, however, that in the event that such payment received by the Swingline Lender is required to be returned, such Lender will return to the Swingline Lender any portion thereof previously distributed to it by the Swingline Lender.

(e) Each Revolving Lender's obligation to make the Loans referred to in Section 2.7(b) and to purchase participating interests pursuant to Section 2.7(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right that such Revolving Lender or the Borrower may have against the Swingline Lender, the Borrower or any other Person for any reason whatsoever, (ii) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Section 5, (iii) any adverse change in the condition (financial or otherwise) of the Borrower or any other Loan Party, (iv) any breach of this Agreement or any other Loan Document by the Borrower, any other Loan Party or any other Lender or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

**2.8 Repayment of Loans.** (a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of the appropriate Revolving Lender or Term Lender, as the case may be, (i) the then unpaid principal amount of each Revolving Loan of such Revolving Lender made to the Borrower outstanding on the Revolving Termination Date (or on such earlier date on which the Loans become due and payable pursuant to Section 8.1) and (ii) the principal amount of each outstanding Term Loan of such Term Lender made to the Borrower in installments according to the amortization schedule set forth in Section 2.3 (or on such earlier date on which the Loans become due and payable pursuant to Section 8.1). The Borrower hereby further agrees to pay interest on the unpaid principal amount of the Loans made to the Borrower from time to time outstanding from the date made until payment in full thereof at the rates per annum, and on the dates, set forth in Section 2.15.

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



(c) The Administrative Agent, on behalf of the Borrower, shall maintain the Register pursuant to Section 10.6(b)(iv), and a subaccount therein for each Lender, in which shall be recorded (i) the amount of each Loan made hereunder and any Note evidencing such Loan, the Type of such Loan and each Interest Period applicable thereto, (ii) the amount of any principal, interest and fees, as applicable, due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder from the Borrower and each Lender's share thereof.

(d) The entries made in the Register and the accounts of each Lender maintained pursuant to Section 2.8(c) shall, to the extent permitted by applicable law, be presumptively correct absent demonstrable error of the existence and amounts of the obligations of the Borrower therein recorded; provided, however, that the failure of the Administrative Agent or any Lender to maintain the Register or any such account, or any error therein, shall not in any manner affect the obligation of the Borrower to repay (with applicable interest) the Loans made to the Borrower by such Lender in accordance with the terms of this Agreement.

2.9 Commitment Fees, etc. (a) The Borrower agrees to pay to the Administrative Agent for the account of each Revolving Lender a commitment fee for the period from and including the Closing Date to the last day of the Revolving Commitment Period, computed at the Applicable Commitment Fee Rate on the average daily amount of the Available Revolving Commitment of such Lender during the period for which payment is made, payable quarterly in arrears on each Fee Payment Date; provided that (i) for purposes of calculating any fees owing in accordance with this Section 2.9(a), the Available Revolving Commitment for the Swingline Lender shall exclude any outstanding Swingline Loans and (ii) the Swingline Lender shall not be entitled to any commitment fee with respect to its Swingline Commitment separate from that to which it is entitled with respect to its Available Revolving Commitment; provided, further, that (i) any commitment fee accrued with respect to any of the Revolving Commitments of a Defaulting Lender during the period prior to the time such Lender became a Defaulting Lender and unpaid at such time shall not be payable by the Borrower so long as such Lender shall be a Defaulting Lender except to the extent that such commitment fee shall otherwise have been due and payable by the Borrower prior to such time and (ii) no commitment fee shall accrue on any of the Revolving Commitments of a Defaulting Lender so long as such Lender shall be a Defaulting Lender.

(b) The Borrower agrees to pay to the Administrative Agent the fees in the amounts and on the dates as set forth in any fee agreements with the Administrative Agent.

2.10 Termination or Reduction of Revolving Commitments. The Borrower shall have the right, upon not less than two Business Days' notice to the Administrative Agent, to terminate the Revolving Commitments or, from time to time, to reduce the amount of the Revolving Commitments; provided that no such termination or reduction of Revolving Commitments shall be permitted if, after giving effect thereto and to any prepayments of the Revolving Loans made on the effective date thereof, the total Revolving Extensions of Credit would exceed the total Revolving Commitments. Any such partial reduction shall be in an amount equal to \$1,000,000, or a whole multiple of \$500,000 in excess thereof, and shall reduce permanently the Revolving Commitments then in effect. Notwithstanding anything to the contrary contained in this Agreement, the Borrower may rescind any notice of termination under this Section 2.10 if such termination would have resulted from a refinancing of all of the Loans, which refinancing shall not be consummated or shall otherwise be delayed.

2.11 Optional Prepayments. (a) The Borrower may at any time and from time to time prepay the Revolving Loans, the Swingline Loans or the Term Loans, in whole or in part, without premium or penalty except as specifically provided in Section 2.11(b), upon irrevocable written notice

delivered to the Administrative Agent no later than 12:00 Noon, New York City time, three Business Days prior thereto, in the case of Eurocurrency Loans, and no later than 12:00 Noon, New York City time, (i) one Business Day prior thereto, in the case of ABR Loans that are Revolving Loans or Term Loans and (ii) on the prepayment date, in the case of ABR Loans that are Swingline Loans, which notice shall specify (x) the date and amount of prepayment, (y) whether the prepayment is of Swingline Loans, Revolving Loans, Tranche A Term Loans, Tranche B Term Loans, Tranche C Term Loans or New Loans and (z) whether the prepayment is of Eurocurrency Loans or ABR Loans; provided that if a Eurocurrency Loan is prepaid on any day other than the last day of the Interest Period applicable thereto, the Borrower shall also pay any amounts owing pursuant to Section 2.21. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein (provided that such notice may be conditioned on receiving the proceeds of any refinancing), together with (except in the case of Revolving Loans that are ABR Loans and Swingline Loans) accrued interest to such date on the amount prepaid. Partial prepayments of Term Loans and of Revolving Loans shall be in an aggregate principal amount of (i) \$1,000,000 or a whole multiple of \$100,000 in excess thereof (in the case of prepayments of ABR Loans) or (ii) \$1,000,000 or a whole multiple of \$500,000 in excess thereof (in the case of prepayments of Eurocurrency Loans), and in each case shall be subject to the provisions of Section 2.18. Partial prepayments of Swingline Loans shall be in an aggregate principal amount of \$500,000 or a whole multiple of \$100,000 in excess thereof.

(b) Any optional prepayment in full of the Tranche B Term Loans as a result of a Repricing Transaction shall be accompanied by a prepayment fee, which shall initially be 2% of the aggregate principal amount prepaid, shall decline to 1% on and after the first anniversary of the Closing Date and shall decline to 0% on and after the second anniversary of the Closing Date.

(c) Notwithstanding anything to the contrary contained in this Section 2.11 or any other provision of this Agreement and without otherwise limiting the rights in respect of prepayments of the Loans of the Borrower and its Subsidiaries, so long as no Default has occurred and is continuing, the Borrower or any Subsidiary of the Borrower may repurchase outstanding Term Loans pursuant to this Section 2.11(c) on the following basis:

(i) Holdings, the Borrower or any Subsidiary of the Borrower may make one or more offers (each, an "Offer") to repurchase all or any portion of the Term Loans (such Term Loans, the "Offer Loans") of Term Lenders; provided that, (A) Holdings, the Borrower or such Subsidiary delivers a notice of such Offer to the Administrative Agent and all Term Lenders no later than noon (New York City time) at least five Business Days in advance of a proposed consummation date of such Offer indicating (1) the last date on which such Offer may be accepted, (2) the maximum dollar amount of such Offer, (3) the repurchase price per dollar of principal amount of such Offer Loans at which Holdings, the Borrower or such Subsidiary is willing to repurchase such Offer Loans and (4) the instructions, consistent with this Section 2.11(c) with respect to the Offer, that a Term Lender must follow in order to have its Offer Loans repurchased; (B) the maximum dollar amount of each Offer shall be no less than \$10,000,000; (C) Holdings, the Borrower or such Subsidiary shall hold such Offer open for a minimum period of two Business Days; (D) a Term Lender who elects to participate in the Offer may choose to sell all or part of such Term Lender's Offer Loans; and (E) such Offer shall be made to Term Lenders holding the Offer Loans on a pro rata basis in accordance with the respective principal amount then due and owing to the Term Lenders; provided, further that, if any Term Lender elects not to participate in the Offer, either in whole or in part, the amount of such Term Lender's Offer Loans not being tendered shall be excluded in calculating the pro rata amount applicable to the balance of such Offer Loans;

(ii) With respect to all repurchases made by Holdings, the Borrower or a Subsidiary of the Borrower, such repurchases shall be deemed to be voluntary prepayments pursuant to this Section 2.11 in an amount equal to the aggregate principal amount of such Term Loans, provided that such repurchases shall not be subject to the provisions of paragraphs (a) and (b) of this Section 2.11, Section 2.18 and Section 2.21;

(iii) Following repurchase by Holdings, the Borrower or any Subsidiary of the Borrower, (A) all principal and accrued and unpaid interest on the Term Loans so repurchased shall be deemed to have been paid for all purposes and no longer outstanding (and may not be resold by Holdings, the Borrower or such Subsidiary), for all purposes of this Agreement and all other Loan Documents and (B) Holdings, the Borrower or any Subsidiary of the Borrower, as the case may be, will promptly advise the Administrative Agent of the total amount of Offer Loans that were repurchased from each Lender who elected to participate in the Offer; and

(iv) Failure by Holdings, the Borrower or a Subsidiary of the Borrower to make any payment to a Lender required by an agreement permitted by this Section 2.11(c) shall not constitute an Event of Default under Section 8.1(a).

(d) In connection with any optional prepayments by the Borrower of the Term Loans pursuant to this Section 2.11, such prepayments shall be applied on a pro rata basis to the then outstanding Term Loans being prepaid irrespective of whether such outstanding Term Loans are ABR Loans or Eurocurrency Loans; provided that if all Lenders elect to participate in the Offer on a pro rata basis in accordance with their respective principal amounts then due and owing, such prepayments shall be applied first to ABR Loans to the full extent thereof before application to Eurocurrency Loans.

2.12 Mandatory Prepayments. (a) Unless the Required Prepayment Lenders shall otherwise agree, if any Indebtedness (excluding any Indebtedness incurred in accordance with Section 7.2) shall be incurred by the Borrower or any Restricted Subsidiary, an amount equal to 100% of the Net Cash Proceeds thereof shall be applied not later than one Business Day after the date of receipt of such Net Cash Proceeds toward the prepayment of the Term Loans as set forth in Section 2.12(d).

(b) Unless the Required Prepayment Lenders shall otherwise agree, if on any date the Borrower or any Restricted Subsidiary shall for its own account receive Net Cash Proceeds from any Asset Sale or Recovery Event then, unless a Reinvestment Notice shall be delivered to the Administrative Agent in respect thereof, such Net Cash Proceeds shall be applied not later than five Business Days after such date toward the prepayment of the Term Loans as set forth in Section 2.12(d); provided that, notwithstanding the foregoing, (i) on each Reinvestment Prepayment Date, the Term Loans shall be prepaid as set forth in Section 2.12(d) by an amount equal to the Reinvestment Prepayment Amount with respect to the relevant Reinvestment Event and (ii) on the date (the "Trigger Date") that is six months after any such Reinvestment Prepayment Date, the Term Loans shall be prepaid as set forth in Section 2.12(d) by an amount equal to the portion of any Committed Reinvestment Amount with respect to the relevant Reinvestment Event not actually expended by such Trigger Date.

(c) Unless the Required Prepayment Lenders shall otherwise agree, if, for any fiscal year of the Borrower commencing with the fiscal year ending March 31, 2010, there shall be Excess Cash Flow, the Borrower shall, on the relevant Excess Cash Flow Application Date, apply an amount equal to (i) the Excess Cash Flow Percentage of such Excess Cash Flow minus (ii) the aggregate amount of all prepayments of Revolving Loans and Swingline Loans during such fiscal year to the extent accompanied by permanent optional reductions of the Revolving Commitments, and all optional prepayments of Term Loans during such fiscal year (other than optional prepayments pursuant to Section 2.11(c)), in each case

other than to the extent any such prepayment is funded with the proceeds of long-term Indebtedness, toward the prepayment of Term Loans as set forth in Section 2.12(d). Each such prepayment shall be made on a date (an "Excess Cash Flow Application Date") no later than ten days after the date on which the financial statements referred to in Section 6.1(a), for the fiscal year with respect to which such prepayment is made, are required to be delivered to the Lenders.

(d) Amounts to be applied in connection with prepayments pursuant to this Section 2.12 shall be applied to the prepayment of the Term Loans in accordance with Section 2.18(b) until paid in full. In connection with any mandatory prepayments by the Borrower of the Term Loans pursuant to Section 2.12, such prepayments shall be applied on a pro rata basis to the then outstanding Term Loans being prepaid irrespective of whether such outstanding Term Loans are ABR Loans or Eurocurrency Loans; provided that if no Lender exercises the right to waive a given mandatory prepayment of the Term Loans pursuant to Section 2.12(e), then, with respect to such mandatory prepayment, the amount of such mandatory prepayment shall be applied first to Term Loans that are ABR Loans to the full extent thereof before application to Term Loans that are Eurocurrency Loans in a manner that minimizes the amount of any payments required to be made by the Borrower pursuant to Section 2.21. Each prepayment of the Term Loans under this Section 2.12 shall be accompanied by accrued interest to the date of such prepayment on the amount prepaid.

(e) Notwithstanding anything to the contrary in Section 2.12(d) or 2.18, with respect to the amount of any mandatory prepayment pursuant to this Section 2.12 that is allocated to Tranche B Term Loans and Tranche C Term Loans (such amount, the "Tranche B Prepayment Amount"), at any time when Tranche A Term Loans remain outstanding, the Borrower will, in lieu of applying such amount to the prepayment of Tranche B Term Loans and Tranche C Term Loans as provided in paragraph (d) above, on the date specified in this Section 2.12 for such prepayment, give the Administrative Agent telephonic notice (promptly confirmed in writing) requesting that the Administrative Agent prepare and provide to each Tranche B Term Lender (which, for avoidance of doubt, includes each New Term Lender) and Tranche C Term Lender a notice (each, a "Prepayment Option Notice") as described below. As promptly as practicable after receiving such notice from the Borrower, the Administrative Agent will send to each Tranche B Term Lender and Tranche C Term Lender a Prepayment Option Notice, which shall be in the form of Exhibit I (or such other form approved by the Administrative Agent), and shall include an offer by the Borrower to prepay, on the date (each a "Mandatory Prepayment Date") that is ten Business Days after the date of the Prepayment Option Notice, the relevant Term Loans of such Lender by an amount equal to the portion of the Tranche B Prepayment Amount indicated in such Lender's Prepayment Option Notice as being applicable to such Lender's Tranche B Term Loans and Tranche C Term Loans. Each Tranche B Term Lender and Tranche C Term Lender may reject all or a portion of its Tranche B Prepayment Amount by providing written notice to the Administrative Agent and the Borrower no later than 5:00 p.m. (New York time) one Business Day after such Tranche B Term Lender's or Tranche C Term Lender's receipt of the Prepayment Option Notice (which notice shall specify the principal amount of the Tranche B Prepayment Amount to be rejected by such Lender); provided that any Tranche B Term Lender's or Tranche C Term Lender's failure to so reject such Tranche B Prepayment Amount shall be deemed an acceptance by such Tranche B Term Lender or Tranche C Term Lender of such Prepayment Option Notice and the amount to be prepaid in respect of Term Loans held by such Tranche B Term Lender or Tranche C Term Lender. On the Mandatory Prepayment Date, the Borrower shall (i) pay to the relevant Tranche B Term Lenders and Tranche C Term Lenders the aggregate amount necessary to prepay that portion of the outstanding relevant Term Loans in respect of which such Lenders have (or are deemed to have) accepted prepayment as described above and (ii) prepay outstanding Tranche A Term Loans in an aggregate amount equal to the amounts declined by Tranche B Term Lenders and Tranche C Term Lenders as described above; provided that, upon the making of such

prepayments, any amount remaining unapplied (i.e., after the payment in full of the Tranche A Term Loans) shall be returned to the Borrower.

2.13 Conversion and Continuation Options. (a) The Borrower may elect from time to time to convert Eurocurrency Loans made to the Borrower to ABR Loans by giving the Administrative Agent prior irrevocable written notice of such election no later than 12:00 Noon, New York City time, on the third Business Day preceding the proposed conversion date; provided that if any Eurocurrency Loan is so converted on any day other than the last day of the Interest Period applicable thereto, the Borrower shall also pay any amounts owing pursuant to Section 2.21. The Borrower may elect from time to time to convert ABR Loans made to the Borrower to Eurocurrency Loans by giving the Administrative Agent prior irrevocable written notice of such election no later than 12:00 Noon, New York City time, on the third Business Day preceding the proposed conversion date (which notice shall specify the length of the initial Interest Period therefor); provided that no ABR Loan under a particular Facility may be converted into a Eurocurrency Loan when any Event of Default has occurred and is continuing and the Administrative Agent or the Majority Facility Lenders in respect of such Facility have determined in its or their sole discretion not to permit such conversions. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof.

(b) Any Eurocurrency Loan may be continued as such by the Borrower giving irrevocable written notice to the Administrative Agent, in accordance with the applicable provisions of the term "Interest Period" set forth in Section 1.1 and no later than 12:00 Noon, New York City time, on the third Business Day preceding the proposed continuation date, of the length of the next Interest Period to be applicable to such Loans; provided that if any Eurocurrency Loan is so continued on any day other than the last day of the Interest Period applicable thereto, the Borrower shall also pay any amounts owing pursuant to Section 2.21; provided, further, that no Eurocurrency Loan under a particular Facility may be continued as such when any Event of Default has occurred and is continuing and the Administrative Agent has or the Majority Facility Lenders in respect of such Facility have determined in its or their sole discretion not to permit such continuations; and provided, further, that (i) if the Borrower shall fail to give any required notice as described above in this paragraph such Eurocurrency Loans shall be automatically continued as Eurocurrency Loans having an Interest Period of one month's duration on the last day of such then-expiring Interest Period and (ii) if such continuation is not permitted pursuant to the preceding proviso, such Eurocurrency Loans shall be automatically converted to ABR Loans on the last day of such then expiring Interest Period. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof.

2.14 Minimum Amounts and Maximum Number of Eurocurrency Tranches. Notwithstanding anything to the contrary in this Agreement, all borrowings, conversions, continuations and optional prepayments of Eurocurrency Loans and all selections of Interest Periods shall be in such amounts and be made pursuant to such elections so that (a) after giving effect thereto, the aggregate principal amount of the Eurocurrency Loans comprising each Eurocurrency Tranche shall be equal to a minimum of \$1,000,000 or a whole multiple of \$500,000 in excess thereof and (b) no more than twelve Eurocurrency Tranches shall be outstanding at any one time.

2.15 Interest Rates and Payment Dates. (a) (i) Each Eurocurrency Loan other than a Eurocurrency Loan that is a Tranche B Term Loan or a Tranche C Term Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the Eurocurrency Rate determined for such day plus the Applicable Margin, (ii) each Eurocurrency Loan that is a Tranche B Term Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to (A) (1) prior to the third anniversary of the Closing Date, the greater of (x) the Eurocurrency Rate determined for such day and (y) 3.00% and (2) thereafter, the Eurocurrency Rate

determined for such day plus (B) the Applicable Margin and (iii) each Eurocurrency Loan that is a Tranche C Term Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to (A) the greater of (x) the Eurocurrency Rate determined for such day and (y) 2.00% plus (B) the Applicable Margin.

(b) (i) Each ABR Loan other than an ABR Loan that is a Tranche B Term Loan or a Tranche C Term Loan shall bear interest at a rate per annum equal to ABR plus the Applicable Margin, (ii) each ABR Loan that is a Tranche B Term Loan shall bear interest at a rate per annum equal to (A) (1) prior to the third anniversary of the Closing Date, the greater of (x) ABR and (y) 4.00% and (2) thereafter, ABR plus (B) the Applicable Margin and (iii) each ABR Loan that is a Tranche C Term Loan shall bear interest at a rate per annum equal to (A) the greater of (x) ABR and (y) 3.00% plus (B) the Applicable Margin.

(c) (i) If all or a portion of the principal amount of any Loan or Reimbursement Obligation shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to (x) in the case of the Loans, the rate that would otherwise be applicable thereto pursuant to the foregoing provisions of this Section 2.15 plus 2% or (y) in the case of Reimbursement Obligations, the rate applicable to ABR Loans under the Revolving Facility plus 2%, and (ii) if all or a portion of any interest payable on any Loan or Reimbursement Obligation or any commitment fee or other amount payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to the rate then applicable to ABR Loans under the relevant Facility plus 2% (or, in the case of any such other amounts that do not relate to a particular Facility, the rate then applicable to ABR Loans under the Revolving Facility plus 2%), in each case, with respect to clauses (i) and (ii) above, from the date of such non-payment until such amount is paid in full (after as well as before judgment); provided that no amount shall be payable pursuant to this Section 2.15(c) to a Defaulting Lender so long as such Lender shall be a Defaulting Lender; provided further no amounts shall accrue pursuant to this Section 2.15(c) on any overdue Loan, Reimbursement Obligation, commitment fee or other amount payable to a Defaulting Lender so long as such Lender shall be a Defaulting Lender

(d) Interest shall be payable by the Borrower in arrears on each Interest Payment Date; provided that interest accruing pursuant to paragraph (c) of this Section 2.15 shall be payable from time to time on demand.

2.16 Computation of Interest and Fees. (a) Interest and fees payable pursuant hereto shall be calculated on the basis of a 360-day year for the actual days elapsed, except that, with respect to ABR Loans the rate of interest on which is calculated on the basis of the Prime Rate, the interest thereon shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed. The Administrative Agent shall as soon as practicable notify the Borrower and the relevant Lenders of each determination of a Eurocurrency Rate. Any change in the interest rate on a Loan resulting from a change in the ABR or the Eurocurrency Reserve Requirements shall become effective as of the opening of business on the day on which such change becomes effective. The Administrative Agent shall as soon as practicable notify the Borrower and the relevant Lenders of the effective date and the amount of each such change in interest rate.

(b) Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Agreement shall be presumptively correct in the absence of demonstrable error. The Administrative Agent shall, at the request of the Borrower, deliver to the Borrower a statement showing the quotations used by the Administrative Agent in determining any interest rate pursuant to Section 2.15(a) and Section 2.15(b).

2.17 Inability to Determine Interest Rate. If prior to the first day of any Interest Period for any Eurocurrency Loan:

(a) the Administrative Agent shall have determined (which determination shall be presumptively correct absent demonstrable error) that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the Eurocurrency Rate for such Interest Period, or

(b) the Administrative Agent shall have received notice from the Majority Facility Lenders in respect of the relevant Facility that by reason of any changes arising after the Closing Date the Eurocurrency Rate determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to such Lenders (as certified by such Lenders) of making or maintaining their affected Loans during such Interest Period,

the Administrative Agent shall give telecopy notice thereof to the Borrower and the relevant Lenders as soon as practicable thereafter. If such notice is given (x) any Eurocurrency Loans under the relevant Facility requested to be made on the first day of such Interest Period shall be made as ABR Loans, (y) any Loans under the relevant Facility that were to have been converted on the first day of such Interest Period to Eurocurrency Loans shall be continued as ABR Loans and (z) any outstanding Eurocurrency Loans under the relevant Facility shall be converted, on the last day of the then-current Interest Period with respect thereto, to ABR Loans. Until such notice has been withdrawn by the Administrative Agent (which action the Administrative Agent will take promptly after the conditions giving rise to such notice no longer exist), no further Eurocurrency Loans under the relevant Facility shall be made or continued as such, nor shall the Borrower have the right to convert Loans under the relevant Facility to Eurocurrency Loans.

2.18 Pro Rata Treatment and Payments. (a) Each borrowing by the Borrower from the Lenders hereunder, each payment by the Borrower on account of any commitment fee and any reduction of the Revolving Commitments shall be made pro rata according to the respective Tranche A Term Percentages, Tranche B Term Percentages, Tranche C Term Percentages or Revolving Percentages, as the case may be, of the relevant Lenders. Each payment (other than prepayments) in respect of principal or interest in respect of the Tranche A Term Loans, Tranche B Term Loans, Tranche C Term Loans or New Term Loans and each payment in respect of fees payable hereunder shall be applied to the amounts of such obligations owing to the Tranche A Term Lenders, Tranche B Term Lenders, Tranche C Term Lenders or New Term Lenders, as applicable, pro rata according to the respective amounts then due and owing to such Lenders, other than payments pursuant to Section 2.11(c) or 2.24.

(b) Each mandatory prepayment of the Term Loans shall be allocated between the Tranche A Term Facility, the Tranche B Term Facility, the Tranche C Term Facility and any New Facility comprising Term Loans, if any, pro rata except as affected by the opt-out provision under Section 2.12(e). Each optional prepayment and mandatory prepayment of the Tranche A Term Loans, Tranche B Term Loans, Tranche C Term Loans or New Term Loans shall be applied to the remaining installments thereof as specified by the Borrower. Amounts repaid or prepaid on account of the Term Loans may not be reborrowed.

(c) Each payment (including prepayments) to be made by the Borrower on account of principal of and interest on the Revolving Loans shall be made pro rata according to the respective outstanding principal amounts of the Revolving Loans then held by the Revolving Lenders. Each payment (including prepayments) to be made by the Borrower on account of principal of and interest on the New Revolving Loans shall be made pro rata according to the respective outstanding principal

amounts of the New Revolving Loans then held by the New Lenders. Each payment in respect of Reimbursement Obligations in respect of any Letter of Credit shall be made to the Issuing Lender that issued such Letter of Credit.

(d) All payments (including prepayments) to be made by the Borrower hereunder, whether on account of principal, interest, fees or otherwise, shall be made without setoff, deduction or counterclaim and shall be made prior to 2:00 P.M., New York City time, on the due date thereof to the Administrative Agent, for the account of the relevant Lenders, at the Funding Office, in immediately available funds. Any payment received by the Administrative Agent after 2:00 P.M., New York City time may be considered received on the next Business Day in the Administrative Agent's sole discretion. The Administrative Agent shall distribute such payments to the relevant Lenders promptly upon receipt in like funds as received. If any payment hereunder (other than payments on the Eurocurrency Loans) becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day. If any payment on a Eurocurrency Loan becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day unless the result of such extension would be to extend such payment into another calendar month, in which event such payment shall be made on the immediately preceding Business Day. In the case of any extension of any payment of principal pursuant to the preceding two sentences, interest thereon shall be payable at the then applicable rate during such extension.

(e) Unless the Administrative Agent shall have been notified in writing by any Lender prior to a borrowing that such Lender will not make the amount that would constitute its share of such borrowing available to the Administrative Agent, the Administrative Agent may assume that such Lender is making such amount available to the Administrative Agent, and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower a corresponding amount. If such amount is not made available to the Administrative Agent by the required time on the Borrowing Date therefor, such Lender shall pay to the Administrative Agent on demand, such amount with interest thereon, at a rate equal to the greater of (i) the Federal Funds Effective Rate and (ii) a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, for the period until such Lender makes such amount immediately available to the Administrative Agent. A certificate of the Administrative Agent submitted to any Lender with respect to any amounts owing under this paragraph shall be presumptively correct in the absence of demonstrable error. If such Lender's share of such borrowing is not made available to the Administrative Agent by such Lender within three Business Days after such Borrowing Date, the Administrative Agent shall give notice of such fact to the Borrower and the Administrative Agent shall also be entitled to recover such amount with interest thereon at the rate per annum applicable to ABR Loans under the relevant Facility, on demand, from the Borrower. Nothing herein shall be deemed to limit the rights of the Administrative Agent or the Borrower against any Defaulting Lender.

(f) Unless the Administrative Agent shall have been notified in writing by the Borrower prior to the date of any payment due to be made by the Borrower hereunder that the Borrower will not make such payment to the Administrative Agent, the Administrative Agent may assume that the Borrower is making such payment, and the Administrative Agent may, but shall not be required to, in reliance upon such assumption, make available to the relevant Lenders their respective pro rata shares of a corresponding amount. If such payment is not made to the Administrative Agent by the Borrower within three Business Days after such due date, the Administrative Agent shall be entitled to recover, on demand, from each relevant Lender to which any amount which was made available pursuant to the preceding sentence, such amount with interest thereon at the rate per annum equal to the daily average Federal Funds Effective Rate. Nothing herein shall be deemed to limit the rights of the Administrative Agent or any Lender against the Borrower.



2.19 Requirements of Law. (a) Except with respect to Taxes, which are addressed in Section 2.20, if the adoption of or any change in any Requirement of Law or in the interpretation or application thereof or compliance by any Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority first made, in each case, subsequent to the Closing Date:

(i) shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any office of such Lender that is not otherwise included in the determination of the Eurocurrency Rate hereunder; or

(ii) shall impose on such Lender any other condition not otherwise contemplated hereunder;

and the result of any of the foregoing is to increase the cost to such Lender, by an amount which such Lender reasonably deems to be material, of making, converting into, continuing or maintaining Eurocurrency Loans or issuing or participating in Letters of Credit (in each case hereunder), or to reduce any amount receivable hereunder in respect thereof, then, in any such case, the Borrower shall promptly pay such Lender, in Dollars, within thirty Business Days after the Borrower's receipt of a reasonably detailed invoice therefor (showing with reasonable detail the calculations thereof), any additional amounts necessary to compensate such Lender for such increased cost or reduced amount receivable. If any Lender becomes entitled to claim any additional amounts pursuant to this Section 2.19, it shall promptly notify the Borrower (with a copy to the Administrative Agent) of the event by reason of which it has become so entitled.

(b) If any Lender shall have reasonably determined that the adoption of or any change in any Requirement of Law regarding capital adequacy or in the interpretation or application thereof or compliance by such Lender or any entity controlling such Lender with any request or directive regarding capital adequacy (whether or not having the force of law) from any Governmental Authority first made, in each case, subsequent to the Closing Date shall have the effect of reducing the rate of return on such Lender's or such entity's capital as a consequence of its obligations hereunder or under or in respect of any Letter of Credit to a level below that which such Lender or such entity could have achieved but for such adoption, change or compliance (taking into consideration such Lender's or such entity's policies with respect to capital adequacy) by an amount deemed by such Lender to be material, then from time to time, after submission by such Lender to the Borrower (with a copy to the Administrative Agent) of a reasonably detailed written request therefor (consistent with the detail provided by such Lender to similarly situated borrowers), the Borrower shall pay to such Lender, in Dollars, such additional amount or amounts as will compensate such Lender or such entity for such reduction.

(c) A certificate prepared in good faith as to any additional amounts payable pursuant to this Section 2.19 submitted by any Lender to the Borrower (with a copy to the Administrative Agent) shall be presumptively correct in the absence of demonstrable error. Notwithstanding anything to the contrary in this Section 2.19, the Borrower shall not be required to compensate a Lender pursuant to this Section 2.19 for any amounts incurred more than 180 days prior to the date that such Lender notifies the Borrower of such Lender's intention to claim compensation therefor; provided that if the circumstances giving rise to such claim have a retroactive effect, then such 180-day period shall be extended to include the period of such retroactive effect. The obligations of the Borrower pursuant to this Section 2.19 shall survive the termination of this Agreement and the payment of the Obligations. Notwithstanding the foregoing, the Borrower shall not be obligated to make payment to any of the Administrative Agent or a

Lender with respect to penalties, interest and expenses if written demand therefore was not made by the Administrative Agent or such Lender within 180 days from the date on which such party makes payment for such penalties, interest and expenses.

2.20 Taxes. (a) Except as otherwise provided in this Agreement or as required by law, all payments made by the Borrower or any Loan Party under this Agreement and the other Loan Documents to the Administrative Agent or any Lender under this Agreement shall be made free and clear of, and without deduction or withholding for or on account of, any Taxes, excluding (i) net income Taxes, net profits Taxes and franchise Taxes (and net worth Taxes and capital Taxes imposed in lieu of net income Taxes) imposed on the Administrative Agent or any Lender (A) by the jurisdiction (or any political subdivision thereof) under the laws of which the Administrative Agent or any Lender (or, in the case of a pass-through entity, any of its beneficial owners) is organized or in which its applicable lending office is located or (B) as a result of a present or former connection between the Administrative Agent or such Lender or beneficial owner and the jurisdiction of the Governmental Authority imposing such Tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Administrative Agent or such Lender having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement or any other Loan Document) and (ii) any branch profits or backup withholding Taxes imposed by the United States or any similar Tax imposed by any other jurisdiction in which the applicable Borrower or any Loan Party under this Agreement and the other Loan Documents is located or is deemed to be doing business. If any such non-excluded Taxes ("Non-Excluded Taxes") or Other Taxes are required to be withheld from any amounts payable by the Borrower or any Loan Party under this Agreement and the other Loan Documents to the Administrative Agent or any Lender hereunder, the amounts so payable to the Administrative Agent or such Lender shall be increased to the extent necessary to yield to the Administrative Agent or such Lender (after deduction or withholding of all Non-Excluded Taxes and Other Taxes including Non-Excluded Taxes attributable to amounts payable under this Section 2.20(a)) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement; provided, however, that the Borrower or any Loan Party under this Agreement and the other Loan Documents shall not be required to increase any such amounts payable to or in respect of any Lender with respect to any Non-Excluded Taxes (i) that are attributable to such Lender's (or, in the case of a pass-through entity, any of its beneficial owners') failure to comply with the requirements of paragraph (d) or (e), as applicable, of this Section 2.20 or (ii) that are withholding Taxes imposed on amounts payable under this Agreement or the other Loan Documents, unless such Taxes are imposed as a result of a Change in Law occurring after such Lender becomes a party hereto or as a result of any change in facts, occurring after such Lender becomes a party hereto, that is not attributable to the Lender, except (in the case of an assignment) to the extent that such Lender's assignor (if any) was entitled, at the time of such assignment, to receive additional amounts from the Borrower or any Loan Party under this Agreement and the other Loan Documents with respect to such Taxes pursuant to this paragraph.

(b) In addition, the Borrower or any Loan Party under this Agreement and the other Loan Documents shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Whenever any Non-Excluded Taxes or Other Taxes are payable by the Borrower and any Loan Party under this Agreement and the other Loan Documents, as promptly as possible thereafter the Borrower shall send to the Administrative Agent for the account of the Administrative Agent or Lender, as the case may be, a certified copy of an original official receipt received by the Borrower showing payment thereof if such receipt is obtainable, or, if not, such other evidence of payment as may reasonably be required by the Administrative Agent or such Lender. If the Borrower or any Loan Party under this Agreement and the other Loan Documents fails to pay any Non-Excluded Taxes or Other

Taxes that the Borrower or any Loan Party under this Agreement and the other Loan Documents is required to pay pursuant to this Section 2.20 (or in respect of which the Borrower or any Loan Party under this Agreement and the other Loan Documents would be required to pay increased amounts pursuant to Section 2.20(a) if such Non-Excluded Taxes or Other Taxes were withheld) when due to the appropriate taxing authority or fails to remit to the Administrative Agent the required receipts or other required documentary evidence, the Borrower or any Loan Party under this Agreement and the other Loan Documents shall indemnify the Administrative Agent and the Lenders for any payments by them of such Non-Excluded Taxes or Other Taxes and for any incremental taxes, interest or penalties that become payable by the Administrative Agent or any Lender as a result of any such failure within thirty days after the Lender or the Administrative Agent delivers to the Borrower (with a copy to the Administrative Agent) either (a) a copy of the receipt issued by a Governmental Authority evidencing payment of such Taxes or (b) certificates as to the amount of such payment or liability prepared in good faith.

(d) Each Lender (and, in the case of a pass-through entity, each of its beneficial owners) that is not a United States person (as such term is defined in Section 7701(a)(30) of the Code) (a “Non-US Lender”) shall deliver to the Borrower and the Administrative Agent (or, in the case of a Participant, to the Borrower and to the Lender from which the related participation shall have been purchased) (i) two accurate and complete copies of IRS Form W-8ECI or W-8BEN, or, (ii) in the case of a Non-US Lender claiming exemption from United States federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of “portfolio interest”, a statement substantially in the form of Exhibit F and two accurate and complete copies of IRS Form W-8BEN, or any subsequent versions or successors to such forms, in each case properly completed and duly executed by such Non-US Lender claiming complete exemption from, or a reduced rate of, United States federal withholding tax on all payments by the Borrower or any Loan Party under this Agreement and the other Loan Documents. Such forms shall be delivered by each Non-US Lender on or before the date it becomes a party to this Agreement (or, in the case of any Participant, on or before the date such Participant purchases the related participation). In addition, each Non-US Lender shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such Non-US Lender. Each Non-US Lender shall (i) promptly notify the Borrower at any time it determines that it is no longer in a position to provide any previously delivered certificate to the Borrower (or any other form of certification adopted by the United States taxing authorities for such purpose) and (ii) take such steps as shall not be disadvantageous to it, in its reasonable judgment, and as may be reasonably necessary (including the re-designation of its lending office pursuant to Section 2.23) to avoid any requirement of applicable laws of any such jurisdiction that the Borrower or any Loan Party make any deduction or withholding for taxes from amounts payable to such Lender. Notwithstanding any other provision of this paragraph, a Non-US Lender shall not be required to deliver any form pursuant to this paragraph that such Non-US Lender is not legally able to deliver.

(e) Each Lender (and, in the case of a Lender that is a non-United States pass-through entity, each of its beneficial owners) that is a United States person (as such term is defined in Section 7701(a)(30) of the Code) (a “US Lender”) shall deliver to the Borrower and the Administrative Agent two accurate and complete copies of IRS Form W-9, or any subsequent versions or successors to such form and certify that such lender is not subject to backup withholding. Such forms shall be delivered by each US Lender on or before the date it becomes a party to this Agreement. In addition, each US Lender shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such US Lender. Each US Lender shall promptly notify the Borrower at any time it determines that it is no longer in a position to provide any previously delivered certifications to the Borrower (or any other form of certification adopted by the United States taxing authorities for such purpose).

(f) If the Administrative Agent or any Lender determines, in good faith, that it has received a refund of any Non-Excluded Taxes or Other Taxes as to which it has been indemnified by the Borrower or any Loan Party or with respect to which the Borrower or any Loan Party has paid additional amounts pursuant to this Section 2.20, it shall promptly pay over such refund to the Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower or any Loan Party under this Section 2.20 with respect to the Non-Excluded Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided that the Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority; provided, further, that the Borrower shall not be required to repay to the Administrative Agent or the Lender an amount in excess of the amount paid over by such party to the Borrower pursuant to this Section 2.20. This paragraph shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Borrower or any other Person. In no event will the Administrative Agent or any Lender be required to pay any amount to the Borrower the payment of which would place the Administrative Agent or such Lender in a less favorable net after-tax position than the Administrative Agent or such Lender would have been in if the additional amounts giving rise to such refund of any Non-Excluded Taxes or Other Taxes had never been paid. The agreements in this Section 2.20 shall survive the termination of this Agreement and the payment of the Obligations.

2.21 Indemnity. Other than with respect to Taxes, which shall be governed solely by Section 2.20, the Borrower agrees to indemnify each Lender for, and to hold each Lender harmless from, any loss or expense (other than lost profits, including the loss of Applicable Margin) that such Lender may actually sustain or incur as a consequence of (a) any failure by the Borrower in making a borrowing of, conversion into or continuation of Eurocurrency Loans after the Borrower has given a notice requesting the same in accordance with the provisions of this Agreement, (b) any failure by the Borrower in making any prepayment of or conversion from Eurocurrency Loans after the Borrower has given a notice thereof in accordance with the provisions of this Agreement or (c) the making of a prepayment, conversion or continuation of Eurocurrency Loans on a day that is not the last day of an Interest Period with respect thereto. A reasonably detailed certificate as to (showing in reasonable detail the calculation of) any amounts payable pursuant to this Section 2.21 submitted to the Borrower by any Lender shall be presumptively correct in the absence of demonstrable error. This covenant shall survive the termination of this Agreement and the payment of the Obligations.

2.22 Illegality. Notwithstanding any other provision herein, if the adoption of or any change in any Requirement of Law or in the interpretation or application thereof, in each case, first made after the Closing Date, shall make it unlawful for any Lender to make or maintain Eurocurrency Loans as contemplated by this Agreement, such Lender shall promptly give notice thereof (a "Rate Determination Notice") to the Administrative Agent and the Borrower, and (a) the commitment of such Lender hereunder to make Eurocurrency Loans, continue Eurocurrency Loans as such and convert ABR Loans to Eurocurrency Loans shall be suspended during the period of such illegality and (b) such Lender's Loans then outstanding as Eurocurrency Loans, if any, shall be converted automatically to ABR Loans on the respective last days of the then current Interest Periods with respect to such Loans or within such earlier period as required by law. If any such conversion of a Eurocurrency Loan occurs on a day which is not the last day of the then current Interest Period with respect thereto, the Borrower shall pay to such Lender such amounts, if any, as may be required pursuant to Section 2.21.

2.23 Change of Lending Office. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 2.19, 2.20(a) or 2.22 with respect to such Lender, it will, if requested by the Borrower, use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans affected by such event with the object of avoiding the consequences of such event; provided that such designation is made on terms that, in the good faith judgment of such Lender, cause such Lender and its lending office(s) to suffer no material economic, legal or regulatory disadvantage and; provided, further, that nothing in this Section 2.23 shall affect or postpone any of the obligations of the Borrower or the rights of any Lender pursuant to Section 2.19, 2.20(a) or 2.22.

2.24 Replacement of Lenders. The Borrower shall be permitted to (a) replace with a financial institution or financial institutions, or (b) prepay, without premium or penalty (but subject to Section 2.21), the Loans of, any Lender that (i) requests reimbursement for amounts owing or otherwise results in increased costs imposed on the Borrower or on account of which the Borrower is required to pay additional amounts to any Governmental Authority pursuant to Section 2.19, 2.20 or 2.21 (to the extent a request made by a Lender pursuant to the operation of Section 2.21 is materially greater than requests made by other Lenders) or gives a notice of illegality pursuant to Section 2.22, (ii) defaults in its obligation to make Loans hereunder or to comply with its obligations under Section 3.4, (iii) has refused to consent to any waiver or amendment with respect to any Loan Document that requires such Lender's consent and has been consented to by the Required Lenders; or (iv) becomes the subject of a bankruptcy or insolvency proceeding; provided that, in the case of a replacement pursuant to clause (a) above, (A) such replacement does not conflict with any Requirement of Law, (B) the replacement financial institution or financial institutions shall purchase, at par, all Loans and other amounts owing to such replaced Lender on or prior to the date of replacement, (C) the Borrower shall be liable to such replaced Lender under Section 2.21 (as though Section 2.21 were applicable) if any Eurocurrency Loan owing to such replaced Lender shall be purchased other than on the last day of the Interest Period relating thereto, (D) the replacement financial institution or financial institutions, (x) if not already a Lender, shall be reasonably satisfactory to the Administrative Agent to the extent that an assignment to such replacement financial institution of the rights and obligations being acquired by it would otherwise require the consent of the Administrative Agent pursuant to Section 10.6(b)(i)(B) and (y) shall pay (unless otherwise paid by the Borrower) any processing and recordation fee required under Section 10.6(b)(ii)(B), (E) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 10.6, (F) the Borrower shall pay all additional amounts (if any) required pursuant to Section 2.19 or 2.20, as the case may be, in respect of any period prior to the date on which such replacement shall be consummated, (G) if applicable, the replacement financial institution or financial institutions shall consent to such amendment or waiver and (H) any such replacement shall not be deemed to be a waiver of any rights that the Borrower, the Administrative Agent or any other Lender shall have against the replaced Lender. Prepayments pursuant to clause (b) above (i) shall be accompanied by accrued and unpaid interest on the principal amount so prepaid up to the date of such prepayment and (ii) shall not be subject to the provisions of Section 2.18.

2.25 Incremental Loans. (a) The Borrower may by written notice to the Administrative Agent elect to request the establishment of one or more new term loan or revolving commitments (the "New Loan Commitments") hereunder, in an aggregate amount for all such New Loan Commitments not in excess of \$100,000,000. Each such notice shall specify the date (each, an "Increased Amount Date") on which the Borrower proposes that the New Loan Commitments shall be effective, which shall be a date not less than 10 Business Days after the date on which such notice is delivered to the Administrative Agent; provided that any Lender offered or approached to provide all or a portion of any New Loan Commitments may elect or decline, in its sole discretion, to provide such New Loan Commitments.

(b) Such New Loan Commitments shall become effective as of such Increased Amount Date; provided that (i) no Default or Event of Default shall exist on such Increased Amount Date before or after giving effect to such New Loan Commitments and to the making of any Tranche of New Loans pursuant thereto and after giving effect to any Permitted Acquisition consummated in connection therewith; (ii) the Borrower shall be in pro forma compliance with the financial covenants set forth in Section 7.1; (iii) the proceeds of any New Loans shall be used for general corporate purposes of the Borrower and its Subsidiaries (including Permitted Acquisitions and Investments permitted under Section 7.7); (iv) the New Loans shall share ratably in the Collateral; (v) the New Loans that are term loans ("New Term Loans") shall share ratably in any mandatory prepayments of the existing Term Loans; (vi) in the case of any New Term Loans, the maturity date thereof shall not be earlier than the Tranche C Term Maturity Date and the weighted average life to maturity shall be equal to or greater than the weighted average life to maturity of the Tranche C Term Loans; (vii) in the case of any New Loans that are revolving loans or commitments ("New Revolving Loans") the maturity date or commitment termination date thereof shall not be earlier than the Revolving Termination Date and such New Revolving Loans shall not require any scheduled commitment reductions prior to the Revolving Termination Date; (viii) the New Revolving Loans shall share ratably in any mandatory prepayments of the existing Revolving Loans; (ix) all terms and documentation with respect to any New Loans which differ from those with respect to the Loans under the applicable Facility shall be reasonably satisfactory to the Administrative Agent (except to the extent permitted by clauses (vi) and (vii) above and the last sentence of this paragraph); (x) such New Loans or New Loan Commitments shall be effected pursuant to one or more Joinder Agreements executed and delivered by the Borrower, the Administrative Agent and one or more New Lenders; (xi) the Borrower shall deliver or cause to be delivered any customary legal opinions or other documents reasonably requested by Administrative Agent in connection with any such transaction, including any supplements or amendments to the Security Documents providing for such New Loans to be secured thereby; and (xii) if the initial "spread" (for purposes of this Section 2.25 the "spread" with respect to any Loan shall be calculated as the sum of the Eurodollar Loan margin on the relevant Loan plus any original issue discount or upfront fees in lieu of original issue discount (other than any arranging fees, underwriting fees and commitment fees) (based on an assumed four-year average life for the applicable Facilities (e.g., 100 basis points in original issue discount or upfront fees equals 25 basis points of interest rate margin))) relating to the New Term Loans exceeds the spread then in effect with respect to the Tranche B Term Loans by more than 0.25%, the Applicable Margin relating to the existing Tranche B Term Loans shall be adjusted so that the spread relating to such New Term Loans does not exceed the spread applicable to the existing Tranche B Term Loans by more than 0.25%. Any New Loans made on an Increased Amount Date that have terms and provisions that differ from those of the Term Loans or Revolving Loans, as applicable, outstanding on the date on which such New Loans are made shall be designated as a separate tranche (a "Tranche") of Term Loans or Revolving Loans, as applicable, for all purposes of this Agreement, except as the relevant Joinder Agreement otherwise provides. For the avoidance of doubt, the rate of interest and the amortization schedule (if applicable) of any New Loan Commitments shall be determined by the Borrower and the applicable New Lenders and shall be set forth in the applicable Joinder Agreement.

(c) On any Increased Amount Date on which any New Loan Commitment become effective, subject to the foregoing terms and conditions, each lender with a New Loan Commitment (each, a "New Lender") shall become a Lender hereunder with respect to such New Loan Commitment.

(d) The terms and provisions of the New Loan Commitments of any Tranche shall be, except as otherwise set forth in the relevant Joinder Agreement, identical to those of the applicable Loans and for purposes of this Agreement, any New Loans or New Loan Commitments shall be deemed to be Term Loans, Revolving Loans or Revolving Commitments, as applicable. Each Joinder Agreement may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan

Documents as may be necessary or appropriate, in the opinion of the Administrative Agent, to effect the provisions of this Section 2.25.

(e) For the avoidance of doubt, the Additional Revolving Commitments and the Tranche C Term Commitments shall not constitute New Loan Commitments, any Revolving Loans made in respect of the Additional Revolving Commitments shall not constitute New Loans or New Revolving Loans and the Tranche C Term Loans shall not constitute New Loans or New Term Loans.

### SECTION 3. LETTERS OF CREDIT

3.1 L/C Commitment. (a) Subject to the terms and conditions hereof, each Issuing Lender, in reliance on the agreements of the other Revolving Lenders set forth in Section 3.4(a), agrees to issue letters of credit ("Letters of Credit") under the Revolving Commitment for the account of the Borrower or any Guarantor on any Business Day during the Revolving Commitment Period in such form as may be approved from time to time by such Issuing Lender; provided that no Issuing Lender shall have any obligation to issue any Letter of Credit if, after giving effect to such issuance, (i) the L/C Obligations would exceed the L/C Commitment or (ii) the aggregate amount of the Available Revolving Commitments would be less than zero. Each Letter of Credit shall (i) be denominated in Dollars and (ii) expire no later than the earlier of (x) the first anniversary of its date of issuance and (y) the date that is three Business Days prior to the Revolving Termination Date (unless cash collateralized or backstopped, in each case in a manner agreed to by the Borrower and the Issuing Lender); provided that any Letter of Credit with a one-year term may provide for the renewal thereof for additional one-year periods (which shall in no event extend beyond the date referred to in clause (y) above).

(b) No Issuing Lender shall at any time be obligated to issue any Letter of Credit if such issuance would conflict with, or cause such Issuing Lender to exceed any limits imposed by, any applicable Requirement of Law.

3.2 Procedure for Issuance of Letter of Credit. The Borrower may from time to time request that the relevant Issuing Lender issue a Letter of Credit (or amend, renew or extend an outstanding Letter of Credit) by delivering to such Issuing Lender at its address for notices specified to the Borrower by such Issuing Lender an Application therefor, with a copy to the Administrative Agent, completed to the reasonable satisfaction of such Issuing Lender, and such other certificates, documents and other papers and information as such Issuing Lender may reasonably request. Upon receipt of any Application, the relevant Issuing Lender will process such Application and the certificates, documents and other papers and information delivered to it in connection therewith in accordance with its customary procedures and shall promptly issue (or amend, renew or extend, as the case may be) the Letter of Credit requested thereby (but in no event without the consent of the applicable Issuing Lender shall any Issuing Lender be required to issue (or amend, renew or extend, as the case may be) any Letter of Credit earlier than three Business Days after its receipt of the Application therefor and all such other certificates, documents and other papers and information relating thereto) by issuing the original of such Letter of Credit (or such amendment, renewal or extension, as the case may be) to the beneficiary thereof or as otherwise may be agreed to by such Issuing Lender and the Borrower. Such Issuing Lender shall furnish a copy of such Letter of Credit to the Borrower promptly following the issuance (or such amendment, renewal or extension, as the case may be) thereof. Each Issuing Lender shall promptly furnish to the Administrative Agent, which shall in turn promptly furnish to the relevant Revolving Lenders, notice of the issuance (or such amendment, renewal or extension, as the case may be) of each Letter of Credit issued by it (including the amount thereof).

3.3 Fees and Other Charges. (a) The Borrower will pay a fee on each outstanding Letter of Credit requested by it, at a per annum rate equal to the Applicable Margin then in effect with respect to Eurocurrency Loans under the Revolving Facility (minus the fronting fee referred to below), on the face amount of such Letter of Credit, which fee shall be shared ratably among the Revolving Lenders and payable quarterly in arrears on each Fee Payment Date after the issuance date; provided that, with respect to any Defaulting Lender, such Lender's ratable share of any letter of credit fee accrued on the aggregate amount available to be drawn on any outstanding Letters of Credit during the period prior to the time such Lender became a Defaulting Lender and unpaid at such time shall not be payable by the Borrower so long as such Lender shall be a Defaulting Lender except to the extent that such Lender's ratable share of any letter of credit fee shall otherwise have been due and payable by the Borrower prior to such time; provided further that any Defaulting Lender's ratable share of any letter of credit fee accrued on the aggregate amount available to be drawn on any outstanding Letters of Credit shall accrue for the account of the Borrower so long as such Lender shall be a Defaulting Lender. In addition, the Borrower shall pay to each Issuing Lender for its own account a fronting fee on the aggregate face amount of all outstanding Letters of Credit issued by it to the Borrower separately agreed to by the Borrower and such Issuing Lender (but in any event not to exceed 0.25% per annum), payable quarterly in arrears on each Fee Payment Date after the issuance date.

(b) In addition to the foregoing fees, the Borrower shall pay or reimburse each Issuing Lender for costs and expenses agreed by the Borrower and such Issuing Lender in issuing, negotiating, effecting payment under, amending or otherwise administering any Letter of Credit requested by the Borrower.

3.4 L/C Participations. (a) Each Issuing Lender irrevocably agrees to grant and hereby grants to each L/C Participant, and, to induce such Issuing Lender to issue Letters of Credit, each L/C Participant irrevocably agrees to accept and purchase and hereby accepts and purchases from such Issuing Lender, on the terms and conditions set forth below, for such L/C Participant's own account and risk an undivided interest equal to such L/C Participant's Revolving Percentage in such Issuing Lender's obligations and rights under and in respect of each Letter of Credit issued by it and the amount of each draft paid by such Issuing Lender thereunder. Each L/C Participant agrees with each Issuing Lender that, if a draft is paid under any Letter of Credit issued by it for which such Issuing Lender is not reimbursed in full by the Borrower in accordance with the terms of this Agreement, such L/C Participant shall pay to the Administrative Agent for the account of such Issuing Lender upon demand an amount equal to such L/C Participant's Revolving Percentage of the amount of such draft, or any part thereof, that is not so reimbursed; provided that, nothing in this paragraph shall relieve the Issuing Lender of any liability resulting from the gross negligence or willful misconduct of the Issuing Lender. Each L/C Participant's obligation to pay such amount shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right that such L/C Participant may have against any Issuing Lender, the Borrower or any other Person for any reason whatsoever, (ii) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Section 5, (iii) any adverse change in the financial condition of the Borrower, (iv) any breach of this Agreement or any other Loan Document by the Borrower, any other Loan Party or any other L/C Participant or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

(b) If any amount required to be paid by any L/C Participant to the Administrative Agent for the account of any Issuing Lender pursuant to Section 3.4(a) in respect of any unreimbursed portion of any payment made by such Issuing Lender under any Letter of Credit is paid to the Administrative Agent for the account of such Issuing Lender within three Business Days after the date such payment is due, such L/C Participant shall pay to the Administrative Agent for the account of such Issuing Lender on



demand an amount equal to the product of (i) such amount, times (ii) the daily average Federal Funds Effective Rate during the period from and including the date such payment is required to the date on which such payment is immediately available to such Issuing Lender, times (iii) a fraction the numerator of which is the number of days that elapse during such period and the denominator of which is 360. If any such amount required to be paid by any L/C Participant pursuant to Section 3.4(a) is not made available to the Administrative Agent for the account of the relevant Issuing Lender by such L/C Participant within three Business Days after the date such payment is due, such Issuing Lender shall be entitled to recover from such L/C Participant, on demand, such amount with interest thereon calculated from such due date at the rate per annum applicable to ABR Loans under the Revolving Facility. A certificate of the relevant Issuing Lender submitted to any relevant L/C Participant with respect to any amounts owing under this Section 3.4 shall be presumptively correct in the absence of demonstrable error.

(c) Whenever, at any time after any Issuing Lender has made payment under any Letter of Credit and has received from any L/C Participant its pro rata share of such payment in accordance with Section 3.4(a) such Issuing Lender receives any payment related to such Letter of Credit (whether directly from the Borrower or otherwise, including proceeds of collateral applied thereto by such Issuing Lender), or any payment of interest on account thereof, such Issuing Lender will distribute to the Administrative Agent for the account of such L/C Participant its pro rata share thereof; provided, however, that in the event that any such payment received by such Issuing Lender shall be required to be returned by such Issuing Lender, such L/C Participant shall return to the Administrative Agent for the account of such Issuing Lender the portion thereof previously distributed by such Issuing Lender to it.

3.5 Reimbursement Obligation of the Borrower. The Borrower agrees to reimburse each Issuing Lender on the Business Day following the date on which such Issuing Lender notifies the Borrower of the date and amount of a draft presented under any Letter of Credit issued by such Issuing Lending at the Borrower's request and paid by such Issuing Lender for the amount of (a) such draft so paid and (b) any Non-Excluded Taxes and Other Taxes, fees, charges or other costs or expenses reasonably incurred by such Issuing Lender in connection with such payment (the amounts described in the foregoing clauses (a) and (b) in respect of any drawing, collectively, the "Payment Amount"). Each such payment shall be made to such Issuing Lender at its address for notices specified to the Borrower and in immediately available funds. Interest shall be payable on any such amounts from the date on which the relevant draft is paid until payment in full at a rate equal to (i) until the second Business Day next succeeding the date of the relevant notice, the rate applicable to ABR Loans under the Revolving Facility and (ii) thereafter, the rate set forth in Section 2.15(c).

3.6 Obligations Absolute. The Borrower's obligations under this Section 3 shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment that the Borrower may have or have had against any Issuing Lender, any beneficiary of a Letter of Credit or any other Person. The Borrower also agrees with each Issuing Lender that such Issuing Lender shall not be responsible for, and the Borrower's Reimbursement Obligations under Section 3.5 shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even though such documents shall in fact prove to be invalid, fraudulent or forged, or any dispute between or among the Borrower and any beneficiary of any Letter of Credit or any other party to which such Letter of Credit may be transferred or any claims whatsoever of the Borrower against any beneficiary of such Letter of Credit or any such transferee, or any other events or circumstances that, pursuant to applicable law or the applicable customs and practices promulgated by the International Chamber of Commerce, are not within the responsibility of such Issuing Lender, except for errors, omissions, interruptions or delays resulting from the gross negligence or willful misconduct of such Issuing Lender or its employees or agents. No Issuing Lender shall be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted,

in connection with any Letter of Credit, except for errors, omissions, interruptions or delays resulting from the gross negligence or willful misconduct of such Issuing Lender or its employees or agents. The Borrower agrees that any action taken or omitted by any Issuing Lender under or in connection with any Letter of Credit or the related drafts or documents, if done in the absence of gross negligence or willful misconduct and in accordance with the standards or care specified in the Uniform Commercial Code of the State of New York, shall be binding on the Borrower and shall not result in any liability of such Issuing Lender to the Borrower.

3.7 Letter of Credit Payments. If any draft shall be presented for payment under any Letter of Credit, the relevant Issuing Lender shall promptly notify the Borrower of the date and amount thereof. The responsibility of such Issuing Lender to the Borrower in connection with any draft presented for payment under any Letter of Credit issued by such Issuing Lender shall, in addition to any payment obligation expressly provided for in such Letter of Credit, be limited to determining that the documents (including each draft) delivered under such Letter of Credit in connection with such presentment are substantially in conformity with such Letter of Credit.

3.8 Applications. To the extent that any provision of any Application related to any Letter of Credit is inconsistent with the provisions of this Agreement or any other Loan Document, the provisions of this Agreement or such other Loan Document shall apply.

#### SECTION 4. REPRESENTATIONS AND WARRANTIES

To induce the Agents and the Lenders to enter into this Agreement and to make the Loans and issue or participate in the Letters of Credit, Holdings (to the extent applicable) and the Borrower hereby jointly represent and warrant (as to itself and each of its Restricted Subsidiaries) to the Agents and each Lender, which representations and warranties shall be deemed made on the Closing Date (to the extent relating to Holdings or the Initial Borrower, immediately before giving effect to the Merger Transactions and to the extent relating to Holdings, the Borrower or any Restricted Subsidiary, immediately after giving effect to the Merger Transactions) and on the date of each borrowing of Loans or issuance, extension or renewal of a Letter of Credit hereunder that:

4.1 Financial Condition. (a) The audited consolidated balance sheet of the Company and its Subsidiaries as at March 31, 2006, March 31, 2007 and March 31, 2008, and the related statements of income and of cash flows for the fiscal years ended on such dates, in each case with consolidating schedules for the U.S. government business of the Company and the other businesses of the Company, reported on by and accompanied by an unqualified report from Ernst & Young LLP, present fairly in all material respects the financial condition of the Company and its Subsidiaries as at such date, and the results of, their operations, their cash flows and their changes in stockholders' equity for the respective fiscal years then ended. All such financial statements, including the related schedules and notes thereto and year end adjustments, have been prepared in accordance with GAAP (except as otherwise noted therein).

(b) The pro forma consolidated balance sheet of the Borrower and its Subsidiaries as of June 30, 2008 (i) has been prepared in good faith based on assumptions that are believed by the Borrower to be reasonable at the time made (it being understood that such assumptions are based on good faith estimates with respect to certain items and that the actual amounts of such items on the Closing Date is subject to variation)), (ii) accurately reflects all adjustments necessary to give effect to the Transactions and (iii) presents fairly, in all material respects, the pro forma financial position of the Borrower and its Subsidiaries as of June 30, 2008, as if the Transactions had occurred on such date; provided that such

pro forma balance sheet has been prepared without giving effect to all purchase accounting or similar adjustments.

4.2 No Change. (a) As of the Closing Date, there has been no event, circumstance, development, change or effect that has had a Closing Date Material Adverse Effect since the date of the Merger Agreement.

(b) At any time after the Closing Date as of which this representation and warranty is made or deemed made, there has been no event, development or circumstance since March 31, 2008 that has had or would reasonably be expected to have a Material Adverse Effect.

4.3 Existence; Compliance with Law. Except as set forth in Schedule 4.3, each of Holdings, the Borrower and its Restricted Subsidiaries (other than any Immaterial Subsidiaries) (a) (i) is duly organized (or incorporated), validly existing and in good standing (or, only where if applicable, the equivalent status in any foreign jurisdiction) under the laws of the jurisdiction of its organization or incorporation, (ii) has the corporate or organizational power and authority, and the legal right, to own and operate its Property, to lease the Property it operates as lessee and to conduct the business in which it is currently engaged, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect and (iii) is duly qualified as a foreign corporation or limited liability company and in good standing (where such concept is relevant) under the laws of each jurisdiction where its ownership, lease or operation of Property or the conduct of its business requires such qualification except, in each case, to the extent that the failure to be so qualified or in good standing (where such concept is relevant) would not have a Material Adverse Effect and (b) is in compliance with all Requirements of Law except to the extent that any such failure to comply therewith would not have a Material Adverse Effect.

4.4 Corporate Power; Authorization; Enforceable Obligations. (a) Each Loan Party has the corporate power and authority to make, deliver and perform the Loan Documents to which it is a party and, in the case of the Borrower, to borrow or have Letters of Credit issued hereunder. Each Loan Party has taken all necessary corporate or other action to authorize the execution, delivery and performance of the Loan Documents to which it is a party and, in the case of the Borrower, to authorize the extensions of credit on the terms and conditions of this Agreement.

(b) No consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority is required in connection with the extensions of credit hereunder or the execution, delivery, performance, validity or enforceability of this Agreement or any of the other Loan Documents, except (i) consents, authorizations, filings and notices described in Schedule 4.4, which consents, authorizations, filings and notices have been obtained or made and are in full force and effect or the failure to obtain which would not reasonably be expected to have a Material Adverse Effect and (ii) the filings referred to in Section 4.17.

(c) Each Loan Document has been duly executed and delivered on behalf of each Loan Party that is a party thereto. This Agreement constitutes, and each other Loan Document upon execution will constitute, a legal, valid and binding obligation of each Loan Party that is a party thereto, enforceable against each such Loan Party in accordance with its terms (provided that, with respect to the creation and perfection of security interests with respect to the Capital Stock of Foreign Subsidiaries, only to the extent enforceability of such obligation with respect to which Capital Stock is governed by the Uniform Commercial Code), except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law) and the implied covenants of good faith and fair dealing.

4.5 No Legal Bar. The execution, delivery and performance of this Agreement and the other Loan Documents by the Loan Parties thereto, the issuance of Letters of Credit, the borrowings hereunder and the use of the proceeds thereof will not (a) violate the organizational or governing documents of the Loan Parties, (b) except as would not reasonably be expected to have a Material Adverse Effect, violate any Requirement of Law binding on the Borrower or any of its Restricted Subsidiaries or any Contractual Obligation of Holdings, the Borrower or any of its Restricted Subsidiaries or (c) except as would not have a Material Adverse Effect, result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to any Requirement of Law or any such Contractual Obligation (other than the Liens permitted by Section 7.3).

4.6 No Material Litigation. Except as set forth in Schedule 4.6, no litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of the Borrower, likely to be commenced within a reasonable time period against the Borrower or any of its Restricted Subsidiaries or against any of their Properties which, taken as a whole, would reasonably be expected to have a Material Adverse Effect.

4.7 No Default. No Default or Event of Default has occurred and is continuing (other than, on the Closing Date, as a result of a breach of any representation or warranty other than any Specified Representation).

4.8 Ownership of Property; Liens. Except as set forth in Schedule 4.8A, each of the Borrower and its Restricted Subsidiaries has good title in fee simple to, or a valid leasehold interest in, all its Real Property, and good title to, or a valid leasehold interest in, all its other Property (other than Intellectual Property), in each case, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect, and none of such Property is subject to any Lien except as permitted by the Loan Documents. Schedule 4.8B lists all Real Property which is owned or leased by any Loan Party as of the Closing Date.

4.9 Intellectual Property. Each of the Borrower and its Restricted Subsidiaries owns, or has a valid license to use, all Intellectual Property necessary for the conduct of its business as currently conducted free and clear of all Liens except as permitted by the Loan Documents, other than Intellectual Property owned by a Special Purpose Entity, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect. To the Borrower's knowledge, no holding, injunction, decision or judgment has been rendered by any Governmental Authority against the Borrower or any Restricted Subsidiary and neither the Borrower nor any of its Restricted Subsidiaries has entered into any settlement stipulation or other agreement (except license agreements in the ordinary course of business) which would limit, cancel or question the validity of the Borrower's or any Restricted Subsidiary's rights in, any Intellectual Property in any respect that would reasonably be expected to have a Material Adverse Effect. To the Borrower's knowledge, no claim has been asserted or threatened or is pending by any Person challenging or questioning the use by the Borrower or its Restricted Subsidiaries of any Intellectual Property owned by the Borrower or any of its Restricted Subsidiaries or the validity or effectiveness of any Intellectual Property, except as would not reasonably be expected to have a Material Adverse Effect. To the Borrower's knowledge, the use of Intellectual Property by the Borrower and its Restricted Subsidiaries does not infringe on the rights of any Person in a manner that would reasonably be expected to have a Material Adverse Effect. The Borrower and its Restricted Subsidiaries take all reasonable actions that in the exercise of their reasonable business judgment should be taken to protect their Intellectual Property, including Intellectual Property that is confidential in nature, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

4.10 Taxes. Each of Holdings, the Borrower and its Restricted Subsidiaries (i) has filed or caused to be filed all federal, state, provincial and other tax returns that are required to be filed and (ii) has paid all taxes shown to be due and payable on said returns and all other taxes, fees or other charges imposed on it or any of its Property by any Governmental Authority (other than any the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which any reserves required in conformity with GAAP have been provided on the books of the Borrower or such Restricted Subsidiary, as the case may be), except in each case where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

4.11 Federal Regulations. No part of the proceeds of any Loans, and no other extensions of credit hereunder, will be used for any purpose that violates the provisions of the regulations of the Board. If requested by any Lender (through the Administrative Agent) or the Administrative Agent, the Borrower will furnish to the Administrative Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form G-3 or FR Form U-1 referred to in Regulation U.

4.12 ERISA. (a) Except as would not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect: (i) neither a Reportable Event nor a failure to meet the minimum funding standards (within the meaning of Section 412(a) of the Code or Section 302(a)(2) of ERISA) with respect to periods beginning on or after January 1, 2008 or an "accumulated funding deficiency" (within the meaning of Section 412(a) of the Code or Section 302(a)(2) of ERISA) has occurred during the five-year period prior to the date on which this representation is made with respect to any Single Employer Plan, and each Single Employer Plan has complied with the applicable provisions of ERISA and the Code; (ii) no termination of a Single Employer Plan has occurred, and no Lien in favor of the PBGC or a Plan has arisen on the assets of Holdings, the Borrower or any of its Restricted Subsidiaries, during such five-year period; the present value of all accrued benefits under each Single Employer Plan (based on those assumptions used to fund such Plans) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Single Employer Plan allocable to such accrued benefits; (iii) none of Holdings, the Borrower or any of its Restricted Subsidiaries has had a complete or partial withdrawal from any Multiemployer Plan that has resulted or would reasonably be expected to result in a liability under ERISA; (iv) none of Holdings, the Borrower or any of its Restricted Subsidiaries would become subject to any liability under ERISA if the Borrower or such Restricted Subsidiary were to withdraw completely from all Multiemployer Plans as of the valuation date most closely preceding the date on which this representation is made; and (v) no Multiemployer Plan is in Reorganization or Insolvent.

(b) Holdings, the Borrower and its Restricted Subsidiaries have not incurred, and do not reasonably expect to incur, any liability under ERISA or the Code with respect to any plan within the meaning of Section 3(3) of ERISA which is subject to Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA that is maintained by a Commonly Controlled Entity (other than Holdings, the Borrower and its Restricted Subsidiaries) (a "Commonly Controlled Plan") merely by virtue of being treated as a single employer under Title IV of ERISA with the sponsor of such plan that would reasonably be likely to have a Material Adverse Effect and result in a direct obligation of Holdings, the Borrower or any of its Restricted Subsidiaries to pay money.

4.13 Investment Company Act. No Loan Party is an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

4.14 Subsidiaries. (a) The Subsidiaries listed on Schedule 4.14 constitute all the Subsidiaries of the Borrower at the Closing Date (and after giving effect to the Merger Transactions and, to the extent applicable, the Company Reorganization). Schedule 4.14 sets forth as of the Closing Date the name and jurisdiction of incorporation of each Subsidiary and, as to each Subsidiary, the percentage of each class of Capital Stock owned by any Loan Party and the designation of such Subsidiary as a Restricted Subsidiary or an Unrestricted Subsidiary.

(b) As of the Closing Date (and after giving effect to the Merger Transactions and, to the extent applicable, the Company Reorganization), except as set forth on Schedule 4.14 or as otherwise contemplated by the Merger Agreement, there are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments (other than stock options granted to officers, employees or directors and directors' qualifying shares) of any nature relating to any Capital Stock of the Borrower or any of its Restricted Subsidiaries.

4.15 Environmental Matters. Other than exceptions to any of the following that would not reasonably be expected to have a Material Adverse Effect, none of the Borrower or any of its Restricted Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law for the operation of the Business; or (ii) has become subject to any Environmental Liability.

4.16 Accuracy of Information, etc. As of the Closing Date, no statement or information (excluding the projections and pro forma financial information referred to below) contained in this Agreement, any other Loan Document or any certificate furnished to the Administrative Agent or the Lenders or any of them, by or on behalf of any Loan Party for use in connection with the transactions contemplated by this Agreement or the other Loan Documents when taken as a whole, contained as of the date such statement, information, or certificate was so furnished, any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, not materially misleading. As of the Closing Date, the projections and pro forma financial information contained in the materials referenced above are based upon good faith estimates and assumptions believed by management of the Borrower to be reasonable at the time made, in light of the circumstances under which they were made, it being recognized by the Agents and the Lenders that such financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial information may differ from the projected results set forth therein by a material amount.

4.17 Security Documents. (a) The Guarantee and Collateral Agreement is effective to create in favor of the Collateral Agent for the benefit of the Secured Parties, a legal, valid and enforceable security interest in the Collateral described therein of a type in which a security interest can be created under Article 9 of the UCC (including any proceeds of any such item of Collateral); provided that for purposes of this Section 4.17(a), Collateral shall be deemed to exclude any Property expressly excluded from the definition of "Collateral" as set forth in the Guarantee and Collateral Agreement (the "Excluded Collateral"). In the case of (i) the Pledged Securities described in the Guarantee and Collateral Agreement (other than Excluded Capital Stock) when any stock certificates or notes, as applicable, representing such Pledged Securities are delivered to the Collateral Agent, (ii) the Material Deposit Accounts and Material Securities Accounts described in the Guarantee and Collateral Agreement, when control agreements with respect to such Material Deposit Accounts and Material Securities Accounts are executed granting "control" (as defined in the UCC) of such accounts to the Collateral Agent and (iii) the other Collateral described in the Guarantee and Collateral Agreement (other than Excluded Collateral and deposit accounts and securities accounts that do not constitute Material Deposit Accounts and Material Securities Accounts), when financing statements in appropriate form are filed in the offices specified on

Schedule 4.17 (which financing statements have been duly completed and executed (as applicable) and delivered to the Collateral Agent) and such other filings as are specified on Schedule 3 to the Guarantee and Collateral Agreement are made, the Collateral Agent shall have a fully perfected first priority Lien on, and security interest in, all right, title and interest of the Loan Parties in such Collateral (including any proceeds of any item of Collateral) (to the extent a security interest in such Collateral can be perfected through the filing of financing statements in the offices specified on Schedule 4.17 and the filings specified on Schedule 3 to the Guarantee and Collateral Agreement, and through the delivery of the Pledged Securities required to be delivered on the Closing Date), as security for the Obligations, in each case prior in right to the Lien of any other Person (except (i) in the case of Collateral other than Pledged Securities, Liens permitted by Section 7.3 and (ii) Liens having priority by operation of law) to the extent required by the Guarantee and Collateral Agreement.

(b) Upon the execution and delivery of any Mortgage to be executed and delivered pursuant to Section 6.8(b), such Mortgage shall be effective to create in favor of the Collateral Agent for the benefit of the Secured Parties a legal, valid and enforceable Lien on the Mortgaged Property described therein and proceeds thereof, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law) and the implied covenants of good faith and fair dealing; and when such Mortgage is filed in the recording office designated by the Borrower, such Mortgage shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in such Mortgaged Property and the proceeds thereof, as security for the Obligations (as defined in the relevant Mortgage), in each case prior and superior in right to any other Person (other than Liens permitted by Section 7.3 or other encumbrances or rights permitted by the relevant Mortgage).

4.18 Solvency. As of the Closing Date, the Loan Parties are (on a consolidated basis), and after giving effect to the Transactions will be, Solvent.

#### SECTION 5. CONDITIONS PRECEDENT

5.1 Conditions to Initial Extension of Credit. The agreement of each Lender to make the initial extension of credit requested to be made by it is subject to the satisfaction (or waiver), prior to or concurrently with the making of such extension of credit on the Closing Date, of the following conditions precedent:

(a) Credit Agreement; Mezzanine Loan Facility. The Administrative Agent shall have received (i) this Agreement, executed and delivered by the Administrative Agent, the Collateral Agent, Holdings, the Borrower, the Lead Arrangers, the Lenders party hereto and the Issuing Bank, (ii) the Guarantee and Collateral Agreement, executed and delivered by Holdings, the Borrower and each Subsidiary Guarantor and (iii) (subject to the last paragraph of this Section 5.1) with respect to each Material Real Property owned by a Loan Party as of the Closing Date, a Mortgage executed and delivery by such Loan Party in favor of the Collateral Agent for the benefit of the Secured Parties, covering such Real Property (together with such other documents relating thereto consistent with the requirements of Section 6.8(b)). The Administrative Agent shall have received evidence that the Mezzanine Loan Agreement has been executed and delivered by all Persons stated to be a party thereto in the form then most recently delivered to the Administrative Agent, and the Mezzanine Loans shall have been made.

(b) Transaction, etc. The following transactions shall be consummated:

(i) Merger. The Merger Transactions shall be consummated substantially concurrently with the initial funding of the Loans on the Closing Date (A) in accordance with the Merger Agreement and the related disclosure schedules and exhibits thereto, without waiver or amendment of any material provision thereof (other than any such waivers or amendments (including, without limitation, with respect to any representations and warranties in the Merger Agreement) as are not materially adverse to the Lenders or the Lead Arrangers (including, without limitation, the definition of "Company Material Adverse Effect" therein and the representation and warranty set forth in Section 4.8(c) thereof)) unless consented to by the Lead Arrangers (which consent shall not be unreasonably withheld or delayed) or (B) on such other terms and conditions as are reasonably satisfactory to the Lead Arrangers.

(ii) Equity Financing. The Permitted Investors shall have made equity contributions to, or purchased for cash equity of, Holdings in an aggregate amount that, together with all roll-over equity, constitutes not less than 40% of the pro forma capitalization of Holdings and its subsidiaries on a consolidated basis (after giving effect to the Transactions but excluding any Loans made or Letters of Credit issued under the Revolving Facility).

(iii) The representation and warranty of the Company contained in Section 4.8(c) of the Merger Agreement shall be true and correct as of the Closing Date as if made on and as of the Closing Date, except where the failure of such representation and warranty to be so true and correct has not had and would not be reasonably likely to have, individually or in the aggregate, a Closing Date Material Adverse Effect.

(c) Solvency Certificate. The Administrative Agent shall have received a solvency certificate signed by the chief financial officer on behalf of Holdings, substantially in the form of Exhibit G.

(d) Lien Searches. The Collateral Agent shall have received the results of a recent lien search in each of the jurisdictions in which Uniform Commercial Code financing statements or other filings or recordings should be made to evidence or perfect security interests in all assets of the Loan Parties, and such search shall reveal no liens on any of the assets of the Loan Party, except for Liens permitted by Section 7.3 or liens to be discharged on or prior to the Closing Date.

(e) Closing Certificate. The Administrative Agent shall have received a certificate of each Loan Party, dated as of the Closing Date, substantially in the form of Exhibit C, with appropriate insertions and attachments.

(f) Legal Opinions. The Administrative Agent shall have received an executed legal opinion of (i) Debevoise & Plimpton LLP, special New York counsel to the Loan Parties, substantially in the form of Exhibit E-1 and (ii) Morris, Nichols, Arsht & Tunnell LLP, special Delaware counsel to the Loan Parties, substantially in the form of Exhibit E-2.

(g) Pledged Stock; Stock Powers. The Collateral Agent shall have received the certificates, if any, representing the shares of Capital Stock held by a Loan Party pledged



pursuant to the Guarantee and Collateral Agreement, together with an undated stock power for each such certificate executed in blank by a duly authorized officer of the pledgor thereof.

(h) Filings, Registrations and Recordings. Each document (including, without limitation, any Uniform Commercial Code financing statement) required by the Security Documents to be filed, registered or recorded in order to create in favor of the Collateral Agent for the benefit of the Secured Parties, a first priority perfected Lien on the Collateral described therein, shall have been delivered to the Collateral Agent in proper form for filing, registration or recordation.

(i) Insurance. The Administrative Agent shall have received insurance certificates satisfying the requirements of Section 6.5(c).

(j) USA Patriot Act. The Lenders shall have received from each of the Loan Parties documentation and other information requested by any Lender no less than 10 calendar days prior to the Closing Date that is required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the USA Patriot Act.

(k) Specified Representations. The Specified Representations shall be true and correct in all material respects.

Notwithstanding anything in any Loan Document to the contrary, (i) other than with respect to any Closing Date UCC Filing Collateral or Closing Date Stock Certificates, to the extent any collateral is not provided on the Closing Date after the Borrower's use of commercially reasonable efforts to do so, the delivery of such collateral shall not constitute a condition precedent to the availability of the Loans on the Closing Date, (ii) with respect to perfection of security interests in the Closing Date UCC Filing Collateral, the Borrower's sole obligation shall be to deliver, or cause to be delivered, necessary UCC financing statements to the Administrative Agent or to irrevocably authorize or cause the applicable Guarantor to irrevocably authorize the Administrative Agent to file necessary UCC financing statements and (iii) with respect to perfection of security interests in Closing Date Stock Certificates, the Borrower's sole obligation shall be to deliver to the Administrative Agent the Closing Date Stock Certificates as and to the extent they are delivered to the Borrower by the Company pursuant to the Merger Agreement, in each case, duly endorsed in blank.

5.2 Conditions to Each Revolving Loan Extension of Credit After Closing Date. The agreement of each Lender to make any Revolving Loan or to issue or participate in any Letter of Credit hereunder on any date after the Closing Date is subject to the satisfaction of the following conditions precedent:

(a) Representations and Warranties. Each of the representations and warranties made by any Loan Party in or pursuant to the Loan Documents shall be true and correct in all material respects, in each case on and as of such date as if made on and as of such date except to the extent that such representations and warranties relate to an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date.

(b) No Default. No Default or Event of Default shall have occurred and be continuing on such date or after giving effect to the extensions of credit requested to be made on such date.

Each borrowing of a Revolving Loan by and issuance, extension or renewal of a Letter of Credit on behalf of the Borrower hereunder after the Closing Date shall constitute a representation and warranty by the Borrower as of the date of such extension of credit that the conditions contained in this Section 5.2 have been satisfied.

#### SECTION 6. AFFIRMATIVE COVENANTS

The Borrower (on behalf of itself and each of the Restricted Subsidiaries) hereby agrees that, so long as the Commitments remain in effect, any Letter of Credit remains outstanding (that has not been cash collateralized or backstopped, in each case on terms agreed to by the Borrower and the applicable Issuing Lender) or any Loan or other amount is owing to any Lender or any Agent hereunder (other than (i) contingent or indemnification obligations not then due and (ii) obligations in respect of Specified Hedge Agreements or Cash Management Obligations), the Borrower shall, and shall cause each of the Restricted Subsidiaries to:

6.1 Financial Statements. Furnish to the Administrative Agent for delivery to each Lender (which may be delivered via posting on IntraLinks or another similar electronic platform):

(a) within 120 days (or 135 days with respect to the fiscal year ending March 31, 2009) after the end of each fiscal year of the Borrower, commencing with the fiscal year ending March 31, 2009, a copy of the audited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such year and the related audited consolidated statements of income and of cash flows for such year, setting forth, commencing with the financial statements with respect to the fiscal year ending March 31, 2010, in comparative form the figures as of the end of and for the previous year, reported on without qualification arising out of the scope of the audit, by Ernst & Young LLP or other independent certified public accountants of nationally recognized standing; and

(b) within 45 days (or 60 days with respect to the fiscal quarters ending prior to March 31, 2009) after the end of each of the first three quarterly periods of each fiscal year of the Borrower, commencing with the fiscal quarter ending September 30, 2008, the unaudited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such quarter and the related unaudited consolidated statements of income and of cash flows for such quarter and the portion of the fiscal year through the end of such quarter, setting forth, commencing after the first full fiscal year after the Closing Date, in comparative form the figures as of the end of and for the corresponding period in the previous year, certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year-end audit adjustments and the lack of notes);

all such financial statements to be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein and with prior periods (except as disclosed therein and except in the case of the financial statements referred to in clause (b), for customary year-end adjustments and the absence of footnotes). The Borrower may satisfy its obligations under this Section 6.1 with respect to financial information of the Borrower and its consolidated Subsidiaries by delivering information relating to Holdings, the Borrower and its consolidated Subsidiaries.

Documents required to be delivered pursuant to this Section 6.1 may be delivered by posting such documents electronically with notice of such posting to the Administrative Agent and if so posted, shall be deemed to have been delivered on the date on which such documents are posted on the Borrower's behalf on IntraLinks/IntraAgency or another relevant website, if any, to which each Lender

and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent).

6.2 Certificates; Other Information. Furnish to the Administrative Agent for delivery to each Lender, or, in the case of clause (g), to the relevant Lender:

(a) to the extent permitted by the internal policies of such independent certified public accountants, concurrently with the delivery of the financial statements referred to in Section 6.1(a), a certificate of the independent certified public accountants in customary form reporting on such financial statements stating that in making the examination necessary therefor no knowledge was obtained of any Default or Event of Default arising under Section 7.1, except as specified in such certificate;

(b) concurrently with the delivery of any financial statements pursuant to Section 6.1, (i) a Compliance Certificate of a Responsible Officer on behalf of the Borrower stating that such Responsible Officer has obtained no knowledge of any Default or Event of Default that has occurred and is continuing except as specified in such certificate and (ii) to the extent not previously disclosed to the Administrative Agent, (x) a description of any Default or Event of Default that occurred and (y) a description of any new Subsidiary and of any change in the name or jurisdiction of organization of any Loan Party and a listing of any material registrations of or applications for United States Intellectual Property by any Loan Party since the date of the most recent list delivered pursuant to this clause (or, in the case of the first such list so delivered, since the Closing Date);

(c) not later than 120 days (or 135 days with respect to the fiscal year ending March 31, 2009) after the end of each fiscal year of the Borrower, a detailed consolidated budget for the following fiscal year (including a projected consolidated balance sheet of the Borrower and its Subsidiaries as of the end of the following fiscal year and the related consolidated statements of projected cash flow and projected income (collectively, the "Annual Operating Budget")); provided that at any time the Borrower, Holdings or any Parent Company is subject to the reporting requirements set forth in Section 13(a) or 15(d) of the Securities Exchange Act of 1934, the Administrative Agent shall deliver the Annual Operating Budget only to "private-side" Lenders (i.e., Lenders that wish to receive material non-public information with respect to any Loan Party or its securities for purposes of United States federal or state securities laws).

(d) promptly after the same are sent, copies of all financial statements and material reports that the Borrower sends to the holders of any class of its debt securities or public equity securities (except for Permitted Investors) and, promptly after the same are filed, copies of all financial statements and reports that the Borrower may make to, or file with, the SEC, in each case to the extent not already provided pursuant to Section 6.1 or any other clause of this Section 6.2;

(e) promptly upon delivery thereof to the Borrower and to the extent permitted, copies of any accountants' letters addressed to its Board of Directors (or any committee thereof);

(f) promptly upon delivery thereof under the relevant agreement, notice of any default or event of default under the Mezzanine Loan Facility, and, prior to the effectiveness thereof, copies of substantially final drafts of any proposed material amendment, supplement, waiver or other modification with respect to the Mezzanine Loan Facility; and

(g) promptly, such additional financial and other information as the Administrative Agent (for its own account or upon the request from any Lender) may from time to time reasonably request.

Notwithstanding anything to the contrary in this Section 6.2, none of Holdings, the Borrower or any of the Restricted Subsidiaries will be required to disclose any document, information or other matter that (i) constitutes non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors) is prohibited by Law or any binding agreement, (iii) is subject to attorney-client or similar privilege or constitutes attorney work product or (iv) constitutes classified information.

Documents required to be delivered pursuant to this Section 6.2 may be delivered by posting such documents electronically with notice of such posting to the Administrative Agent and each Lender and if so posted, shall be deemed to have been delivered on the date (i) on which the Borrower posts such documents, or to provide a link thereto on the Borrower's website or (ii) on which such documents are posted on the Borrower's behalf on IntraLinks/IntraAgency or another relevant website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent).

6.3 Payment of Taxes. Pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its material Taxes, governmental assessments and governmental charges (other than Indebtedness), except (a) where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves required in conformity with GAAP with respect thereto have been provided on the books of the Borrower or its Restricted Subsidiaries, as the case may be, or (b) to the extent that failure to pay or satisfy such obligations would not reasonably be expected to have a Material Adverse Effect.

6.4 Conduct of Business and Maintenance of Existence, etc.; Compliance. (a) Preserve, renew and keep in full force and effect its corporate or other existence and take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of its business, except, in each case, as otherwise permitted by Section 7.4 or except to the extent that failure to do so would not reasonably be expected to have a Material Adverse Effect; and (b) comply with all Requirements of Law except to the extent that failure to comply therewith would not reasonably be expected to have a Material Adverse Effect.

6.5 Maintenance of Property; Insurance. (a) Keep all Property useful and necessary in its business in reasonably good working order and condition, ordinary wear and tear excepted, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

(b) Take all reasonable and necessary steps, including, without limitation, in any proceeding before the United States Patent and Trademark Office or the United States Copyright Office, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of the material United States Intellectual Property owned by the Borrower or its Restricted Subsidiaries, including, without limitation, filing of applications for renewal, affidavits of use and affidavits of incontestability, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

(c) Maintain insurance with financially sound and reputable insurance companies on all its material Property in at least such amounts and against at least such risks as are usually insured against in the same general area by companies engaged in the same or a similar business. All such insurance

shall, to the extent customary (but in any event, not including business interruption insurance and personal injury insurance) (i) provide that no cancellation thereof shall be effective until at least 10 days after receipt by the Administrative Agent of written notice thereof and (ii) name the Administrative Agent as insured party or loss payee.

(d) With respect to any Mortgaged Properties, if at any time the area in which the Premises (as defined in the Mortgages, if any) are located is designated a "flood hazard area" in any Flood Insurance Rate Map published by the Federal Emergency Management Agency (or any successor agency), obtain flood insurance in such reasonable total amount as the Collateral Agent may from time to time reasonably require, and otherwise to ensure compliance with the National Flood Insurance Program as set forth in the Flood Disaster Protection Act of 1973, as it may be amended from time to time.

6.6 Inspection of Property; Books and Records; Discussions. (a) Keep proper books of records and account in which full, true and correct entries in conformity with GAAP and all Requirements of Law shall be made of all material financial dealings and transactions in relation to its business and activities, (b) permit representatives of any Lender to visit and inspect any of its properties and examine and make abstracts from any of its books and records upon reasonable notice and at such reasonable times during normal business hours (provided that (i) such visits shall be coordinated by the Administrative Agent, (ii) such visits shall be limited to no more than one such visit per calendar year, and (iii) such visits by any Lender shall be at the Lender's expense, except in the case of clauses (ii) and (iii) during the continuance of an Event of Default), (c) permit representatives of any Lender to have reasonable discussions regarding the business, operations, properties and financial and other condition of the Borrower and its Restricted Subsidiaries with officers and employees of the Borrower and its Restricted Subsidiaries (provided that (i) a Responsible Officer of the Borrower shall be afforded the opportunity to be present during such discussions, (ii) such discussions shall be coordinated by the Administrative Agent, and (iii) such discussions shall be limited to no more than once per calendar quarter except during the continuance of an Event of Default) and (d) permit representatives of the Administrative Agent to have reasonable discussions regarding the business, operations, properties and financial and other condition of the Borrower and its Restricted Subsidiaries with its independent certified public accountants to the extent permitted by the internal policies of such independent certified public accountants (provided that (i) a Responsible Officer of the Borrower shall be afforded the opportunity to be present during such discussions and (ii) such discussions shall be limited to no more than once per calendar year except during the continuance of an Event of Default). Notwithstanding anything to the contrary in this Section 6.6, none of Holdings, the Borrower or any of the Restricted Subsidiaries will be required to disclose, permit the inspection, examination or making copies or abstracts of, or discussion of, any document, information or other matter that (i) constitutes non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors) is prohibited by Law or any binding agreement, (iii) is subject to attorney-client or similar privilege or constitutes attorney work product or (iv) constitutes classified information.

6.7 Notices. Promptly upon a Responsible Officer of the Borrower or any Subsidiary Guarantor obtaining knowledge thereof, give notice to the Administrative Agent of:

(a) the occurrence of any Default or Event of Default;

(b) any litigation, investigation or proceeding which may exist at any time between the Borrower or any of its Restricted Subsidiaries and any other Person, that in either case, would reasonably be expected to have a Material Adverse Effect;

(c) the following events, that would reasonably be expected to have a Material Adverse Effect, as soon as possible and in any event within 30 days after the Borrower or any Subsidiary Guarantor knows thereof: (i) the occurrence of any Reportable Event with respect to any Single Employer Plan, a failure to make any required contribution to a Plan, the creation of any Lien in favor of the PBGC or a Plan on the assets of Holdings, the Borrower or any of its Restricted Subsidiaries or any withdrawal from, or the termination, Reorganization or Insolvency of, any Multiemployer Plan, (ii) the institution of proceedings or the taking of any other action by the PBGC or Holdings or any Commonly Controlled Entity or any Multiemployer Plan with respect to the withdrawal from, or the termination, Reorganization or Insolvency of, any Multiemployer Plan or (iii) the occurrence of any similar events with respect to a Commonly Controlled Plan, that would reasonably be likely to result in a direct obligation of the Borrower or any of its Restricted Subsidiaries to pay money;

(d) any development or event that has had or would reasonably be expected to have a Material Adverse Effect; and

(e) the acquisition of any Property after the Closing Date in which the Collateral Agent does not already have a perfected security interest and in which a security interest is required to be created or perfected pursuant to Section 6.8.

Each notice pursuant to this Section 6.7 shall be accompanied by a statement of a Responsible Officer setting forth details of the occurrence referred to therein and stating what action the Borrower or the relevant Restricted Subsidiary proposes to take with respect thereto.

6.8 Additional Collateral, etc. (a) With respect to any Property (other than Excluded Collateral) located in the United States having a value, individually or in the aggregate, of at least \$2,000,000 acquired after the Closing Date by any Loan Party (other than (w) any interests in Real Property and any Property described in paragraph (c) or paragraph (d) of this Section 6.8, (x) any Property subject to a Lien expressly permitted by Section 7.3(g) or 7.3(z), (y) Instruments, Certificated Securities, Securities and Chattel Paper, which are referred to in the last sentence of this paragraph (a) and (z) Government Contracts, deposit accounts and securities accounts (the Loan Parties' obligations with respect to which are contained in the Guarantee and Collateral Agreement)) as to which the Collateral Agent for the benefit of the Secured Parties does not have a perfected Lien, promptly (i) give notice of such Property to the Collateral Agent and execute and deliver to the Collateral Agent such amendments to the Guarantee and Collateral Agreement or such other documents as the Collateral Agent reasonably requests to grant to the Collateral Agent for the benefit of the Secured Parties a security interest in such Property and (ii) take all actions reasonably requested by the Collateral Agent to grant to the Collateral Agent for the benefit of the Secured Parties a perfected security interest (to the extent required by the Security Documents and with the priority required by Section 4.17) in such Property (with respect to Property of a type owned by a Loan Party as of the Closing Date to the extent the Collateral Agent for the benefit of the Secured Parties, has a perfected security interest in such Property as of the Closing Date), including, without limitation, the filing of Uniform Commercial Code financing statements in such jurisdictions as may be required by the Guarantee and Collateral Agreement or by law or as may be reasonably requested by the Collateral Agent. If any amount in excess of \$5,000,000 payable under or in connection with any of the Collateral shall be or become evidenced by any Instrument, Certificated Security, Security or Chattel Paper (or, if more than \$5,000,000 in the aggregate payable under or in connection with the Collateral shall become evidenced by Instruments, Certificated Securities, Securities or Chattel Paper), such Instrument, Certificated Security, Security or Chattel Paper shall be promptly delivered to the Collateral Agent indorsed in a manner reasonably satisfactory to the Collateral Agent to be held as Collateral pursuant to this Agreement.

(b) With respect to any fee interest in any Material Real Property acquired after the Closing Date by any Loan Party (other than Excluded Real Property), (i) give notice of such acquisition to the Collateral Agent and, if requested by the Collateral Agent execute and deliver a first priority Mortgage (subject to liens permitted by Section 7.3) in favor of the Collateral Agent for the benefit of the Secured Parties, covering such Real Property (provided that no Mortgage nor survey shall be obtained if the Administrative Agent determines in consultation with the Borrower that the costs of obtaining such Mortgage or survey are excessive in relation to the value of the security to be afforded thereby), (ii) if reasonably requested by the Collateral Agent (A) provide the Lenders with a lenders' title insurance policy with extended coverage covering such Real Property in an amount at least equal to the purchase price of such Real Property (or such other amount as shall be reasonably specified by the Collateral Agent) as well as a current ALTA survey thereof, together with a surveyor's certificate unless the title insurance policy referred to above shall not contain an exception for any matter shown by a survey (except to the extent an existing survey has been provided and specifically incorporated into such title insurance policy), each in form and substance reasonably satisfactory to the Collateral Agent, (B) use commercially reasonable efforts to obtain any consents or estoppels reasonably deemed necessary by the Collateral Agent, in connection with such Mortgage, each of the foregoing in form and substance reasonably satisfactory to the Collateral Agent and (C) provide to the Administrative Agent evidence of flood hazard insurance if any portion of the improvements on the owned Property is currently or at any time in the future identified by the Federal Emergency Management Agency as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968 (and any amendment or successor act thereto) or otherwise being designated as a "special flood hazard area or part of a 100 year flood zone", in an amount equal to 100% of the full replacement cost of the improvements; provided, however, that a portion of such flood hazard insurance may be obtained under the National Flood Insurance Act of 1968, the Flood Disaster Protection Act of 1973 or the National Flood Insurance Reform Act of 1994, as each may be amended and (iii) if requested by the Collateral Agent deliver to the Collateral Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Collateral Agent.

(c) Except as otherwise contemplated by Section 7.7(p), with respect to any new Subsidiary that is a Non-Excluded Subsidiary created or acquired after the Closing Date (which, for the purposes of this paragraph, shall include any Subsidiary that was previously an Excluded Subsidiary that becomes a Non-Excluded Subsidiary) by any Loan Party, promptly (i) give notice of such acquisition or creation to the Collateral Agent and, if requested by the Collateral Agent, execute and deliver to the Collateral Agent such amendments to the Guarantee and Collateral Agreement or such other documents as the Collateral Agent reasonably deems necessary to grant to the Collateral Agent for the benefit of the Secured Parties a perfected security interest (to the extent required by the Security Documents and with the priority required by Section 4.17) in the Capital Stock of such new Subsidiary that is owned by such Loan Party, (ii) deliver to the Collateral Agent the certificates, if any, representing such Capital Stock, together with undated stock powers, in blank, executed and delivered by a duly authorized officer of such Loan Party, and (iii) cause such new Subsidiary (A) to become a party to the Guarantee and Collateral Agreement and (B) to take such actions necessary or advisable to grant to the Collateral Agent for the benefit of the Secured Parties a perfected security interest (to the extent required by the Security Documents and with the priority required by Section 4.17) in the Collateral described in the Guarantee and Collateral Agreement with respect to such new Subsidiary (to the extent the Collateral Agent, for the benefit of the Secured Parties, has a perfected security interest in the same type of Collateral as of the Closing Date), including, without limitation, the filing of Uniform Commercial Code financing statements in such jurisdictions as may be required by the Guarantee and Collateral Agreement or by law or as may be reasonably requested by the Collateral Agent. Without limiting the foregoing, if (i) the aggregate Consolidated Total Assets or annual consolidated revenues of all Subsidiaries designated as "Immaterial

Subsidiaries" hereunder shall at any time exceed 7.5% of Consolidated Total Assets or annual consolidated revenues, respectively, of the Borrower and its Restricted Subsidiaries (as reflected on the most recent financial statements delivered pursuant to Section 6.1 prior to such time) or (ii) if any Subsidiary shall at any time cease to constitute an Immaterial Subsidiary under clause (i) of the definition of "Immaterial Subsidiary" (as reflected on the most recent financial statements delivered pursuant to Section 6.1 prior to such time), the Borrower shall promptly, (x) in the case of clause (i) above, rescind the designation as "Immaterial Subsidiaries" of one or more of such Subsidiaries so that, after giving effect thereto, the aggregate Consolidated Total Assets or annual consolidated revenues, as applicable, of all Subsidiaries so designated (and which designations have not been rescinded) shall not exceed 7.5% of Consolidated Total Assets or annual consolidated revenues, respectively, of the Borrower and its Restricted Subsidiaries (as reflected on the most recent financial statements delivered pursuant to Section 6.1 prior to such time), as applicable, and (y) in the case of clauses (i) and (ii) above, to the extent not already effected, (A) cause each affected Subsidiary to take such actions to become a "Subsidiary Guarantor" hereunder and under the Guarantee and Collateral Agreement and execute and deliver the documents and other instruments referred to in this paragraph (c) to the extent such affected Subsidiary is not otherwise an Excluded Subsidiary and (B) cause the owner of the Capital Stock of such affected Subsidiary to take such actions to pledge such Capital Stock to the extent required by, and otherwise in accordance with, the Guarantee and Collateral Agreement and execute and deliver the documents and other instruments required hereby and thereby unless such Capital Stock otherwise constitutes Excluded Capital Stock.

(d) Except as otherwise contemplated by Section 7.7(p), with respect to any new first tier Foreign Subsidiary that is a Non-Excluded Subsidiary created or acquired after the Closing Date by any Loan Party, promptly (i) give notice of such acquisition or creation to the Collateral Agent and, if requested by the Collateral Agent, execute and deliver to the Collateral Agent such amendments to the Guarantee and Collateral Agreement as the Collateral Agent deems necessary or reasonably advisable in order to grant to the Collateral Agent, for the benefit of the Secured Parties, a perfected security interest (to the extent required by the Security Documents and with the priority required by Section 4.17) in the Capital Stock of such new Subsidiary (other than any Excluded Capital Stock) that is owned by such Loan Party and (ii) deliver to the Collateral Agent the certificates, if any, representing such Capital Stock (other than any Excluded Capital Stock), together with undated stock powers, in blank, executed and delivered by a duly authorized officer of such Loan Party, and take such other action as may be necessary or, in the reasonable opinion of the Collateral Agent, desirable to perfect or ensure appropriate priority the Lien of the Collateral Agent thereon.

(e) Notwithstanding anything in this Section 6.8 to the contrary, neither the Borrower nor any of its Restricted Subsidiaries shall be required to take any actions in order to perfect the security interest in the Collateral granted to the Collateral Agent for the ratable benefit of the Secured Parties under the laws of any jurisdiction outside the United States.

(f) Notwithstanding the foregoing, to the extent any new Restricted Subsidiary is created solely for the purpose of consummating a merger transaction pursuant to an acquisition permitted by Section 7.7, and such new Subsidiary at no time holds any assets or liabilities other than any merger consideration contributed to it contemporaneously with the closing of such merger transaction, such new Subsidiary shall not be required to take the actions set forth in Section 6.8(c) or 6.8(d), as applicable, until the respective acquisition is consummated (at which time the surviving entity of the respective merger transaction shall be required to so comply within ten Business Days).

(g) From time to time the Loan Parties shall execute and deliver, or cause to be executed and delivered, such additional instruments, certificates or documents, and take all such actions, as the



Collateral Agent may reasonably request for the purposes implementing or effectuating the provisions of this Agreement and the other Loan Documents, or of renewing the rights of the Secured Parties with respect to the Collateral as to which the Collateral Agent, for the ratable benefit of the Secured Parties, has a perfected Lien pursuant hereto or thereto, including, without limitation, filing any financing or continuation statements or financing change statements under the Uniform Commercial Code (or other similar laws) in effect in any jurisdiction with respect to the security interests created thereby. Notwithstanding the foregoing, the provisions of this Section 6.8 shall not apply to assets as to which the Administrative Agent and the Borrower shall reasonably determine that the costs and burdens of obtaining a security interest therein or perfection thereof outweigh the value of the security afforded thereby.

6.9 Use of Proceeds. The proceeds of the Tranche A Term Loans and Tranche B Term Loans shall be used solely to effect the Merger Transactions, the Refinancing and to pay related fees and expenses. The proceeds of the Tranche C Term Loans shall be used solely to effect the Recapitalization Transactions (including payments in respect of stock options in connection with the Recapitalization Transactions) and to pay related fees and expenses. The proceeds of the Revolving Loans, the Swingline Loans and the Letters of Credit shall be used to finance a portion of the Merger Transactions (including purchase price adjustments), to finance the Refinancing, to finance Permitted Acquisitions and Investments permitted hereunder and for other general corporate purposes of the Borrower and its Subsidiaries not prohibited by this Agreement.

6.10 Post-Closing Undertakings. Within the time period specified on Schedule 6.10 (or such later date to which the Administrative Agent consents), comply with the provisions set forth in Schedule 6.10.

#### SECTION 7. NEGATIVE COVENANTS

The Borrower (on behalf of itself and each of the Restricted Subsidiaries) hereby agrees that, so long as the Commitments remain in effect, any Letter of Credit remains outstanding (that has not been cash collateralized or backstopped, in each case on terms agreed to by the Borrower and the applicable Issuing Lender) or any Loan or other amount is owing to any Lender or any Agent hereunder (other than (i) contingent or indemnification obligations not then due and (ii) obligations in respect of Specified Hedge Agreements or Cash Management Obligations), the Borrower shall not, and shall not permit any of the Restricted Subsidiaries to:

7.1 Financial Covenants. (a) Consolidated Total Leverage Ratio. Commencing with the Test Period ending December 31, 2008, permit the Consolidated Total Leverage Ratio as at the last day of any Test Period ending in any period set forth below to be in excess of the ratio set forth below for such period:

Period	Consolidated Total Leverage Ratio
December 31, 2008	6.25:1.00
March 31, 2009	6.25:1.00
June 30, 2009	6.00:1.00
September 30, 2009	5.75:1.00
December 31, 2009	5.75:1.00
March 31, 2010	5.75:1.00
June 30, 2010	5.50:1.00
September 30, 2010	5.50:1.00
December 31, 2010	5.00:1.00
March 31, 2011	5.00:1.00
June 30, 2011	4.50:1.00
September 30, 2011	4.50:1.00
December 31, 2011	4.25:1.00
March 31, 2012	4.25:1.00
June 30, 2012	4.00:1.00
September 30, 2012	4.00:1.00
December 31, 2012 and thereafter	3.75:1.00

(b) Consolidated Net Interest Coverage Ratio. Commencing with the Test Period ending December 31, 2008, permit the Consolidated Net Interest Coverage Ratio as at the last day of any Test Period ending in any period set forth below to be less than the ratio set forth below for such period:

Period	Consolidated Net Interest Coverage Ratio
December 31, 2008	1.60:1.00
March 31, 2009	1.60:1.00
June 30, 2009	1.70:1.00
September 30, 2009	1.75:1.00
December 31, 2009	1.70:1.00
March 31, 2010	1.70:1.00
June 30, 2010	1.80:1.00
September 30, 2010	1.80:1.00
December 31, 2010	1.90:1.00
March 31, 2011	1.90:1.00
June 30, 2011	2.00:1.00
September 30, 2011	2.00:1.00
December 31, 2011	2.10:1.00
March 31, 2012	2.10:1.00
June 30, 2012	2.20:1.00
September 30, 2012	2.20:1.00
December 31, 2012 and thereafter	2.30:1.00

7.2 Indebtedness. Create, issue, incur, assume, or permit to exist any Indebtedness, except:

- (a) Indebtedness of the Borrower and any Restricted Subsidiary pursuant to any Loan Document or Hedge Agreement or in respect of any Cash Management Obligations;
- (b) Indebtedness (i) of the Borrower to any of its Restricted Subsidiaries or Holdings or of any Subsidiary Guarantor to Holdings, the Borrower or any Restricted Subsidiary, provided that any such Indebtedness owing to a Restricted Subsidiary that is not a Subsidiary Guarantor is expressly subordinated in right of payment to the Obligations pursuant to the Guarantee and Collateral Agreement or otherwise and (ii) of any Non-Guarantor Subsidiary to any other Non-Guarantor Subsidiary;
- (c) Indebtedness (including, without limitation, Capital Lease Obligations) secured by Liens permitted by Section 7.3(g) in an aggregate principal amount, when combined with the aggregate principal amount of Indebtedness outstanding under clauses (t) and (u) of this Section 7.2, not to exceed \$75,000,000 at any one time outstanding;
- (d) (i) Indebtedness outstanding on the Closing Date and listed on Schedule 7.2(d) and any Permitted Refinancing thereof and (ii) Indebtedness otherwise permitted under Section 7.10;
- (e) Guarantee Obligations (i) by the Borrower or any of its Restricted Subsidiaries of obligations of the Borrower or any Subsidiary Guarantor not prohibited by this Agreement to be incurred and (ii) by any Non-Guarantor Subsidiary of obligations of any other Non-Guarantor Subsidiary;
- (f) Indebtedness of the Borrower or any of its Restricted Subsidiaries arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn by the Borrower or such Restricted Subsidiary in the ordinary course of business against insufficient funds, so long as such Indebtedness is promptly repaid;
- (g) (A) Indebtedness of any joint venture or Non-Guarantor Subsidiary owing to any Loan Party and (B) Guarantee Obligations of the Borrower or any Subsidiary Guarantor of Indebtedness of any joint venture or Non-Guarantor Subsidiary, to the extent such Indebtedness and Guarantee Obligations are permitted as Investments by Section 7.7(h), (k), (m) or (v);
- (h) Indebtedness in the form of earn-outs, indemnification, incentive, non-compete, consulting or other similar arrangements and other contingent obligations in respect of acquisitions or Investments permitted by Section 7.7 (both before or after any liability associated therewith becomes fixed);
- (i) (i) Indebtedness of the Borrower in respect of the Mezzanine Loan Agreement in an aggregate principal amount not to exceed \$550,000,000, plus any accrued pay-in-kind interest, capitalized interest, accrued interest, fees, discounts, premiums and expenses, in each case, in respect thereof, (ii) Guarantee Obligations of any Subsidiary Guarantor in respect of such Indebtedness, interest, fees, discounts, premiums and expenses; provided that, in each case, in the case of any guarantee of Indebtedness in respect of the Mezzanine Loan Agreement by any Restricted Subsidiary that is not a Subsidiary Guarantor, such Restricted Subsidiary becomes a Subsidiary Guarantor under this Agreement at or prior to the time of such guarantee, and (iii) any Permitted Refinancing thereof;

(j) additional Indebtedness of the Borrower or any of its Restricted Subsidiaries in an aggregate principal amount (for the Borrower and all Restricted Subsidiaries), not to exceed \$75,000,000 at any time outstanding;

(k) Indebtedness of Non-Guarantor Subsidiaries in respect of local lines of credit, letters of credit, bank guarantees, factoring arrangements, sale/leaseback transactions and similar extensions of credit in the ordinary course of business, in an aggregate principal amount, when combined with the aggregate principal amount of Indebtedness outstanding under clause (s)(iii) of this Section 7.2, not to exceed \$35,000,000 at any one time outstanding;

(l) Indebtedness of the Borrower or any of its Restricted Subsidiaries in respect of workers' compensation claims, bank guarantees, warehouse receipts or similar facilities, property casualty or liability insurance, take-or-pay obligations in supply arrangements, self-insurance obligations, performance, bid, customs, government, appeal and surety bonds, completion guaranties and other obligations of a similar nature, in each case in the ordinary course of business;

(m) Indebtedness incurred by the Borrower or any of its Restricted Subsidiaries arising from agreements providing for indemnification related to sales of goods or adjustment of purchase price or similar obligations in any case incurred in connection with the acquisition or Disposition of any business, assets or Subsidiary;

(n) Indebtedness supported by a Letter of Credit, in a principal amount not in excess of the stated amount of such Letter of Credit;

(o) Indebtedness issued in lieu of cash payments of Restricted Payments permitted by Section 7.6; provided that such Indebtedness is subordinated to the Obligations on terms reasonably satisfactory to the Administrative Agent;

(p) Permitted Subordinated Indebtedness in an aggregate principal amount not to exceed \$50,000,000 at any one time outstanding and any guarantees incurred in respect thereof;

(q) Indebtedness of the Borrower or any Subsidiary Guarantor as an account party in respect of trade letters of credit issued in the ordinary course of business;

(r) Indebtedness owing to any insurance company in connection with the financing of any insurance premiums permitted by such insurance company in the ordinary course of business;

(s) (i) Guarantee Obligations made in the ordinary course of business; provided that such Guarantees are not of Indebtedness for Borrowed Money, (ii) Guarantee Obligations in respect of lease obligations of Booz & Company Inc. and its Affiliates and (iii) Guarantee Obligations in respect of Indebtedness of joint ventures; provided that the aggregate principal amount of any such Guarantee Obligations under this sub-clause (iii), when combined with the aggregate principal amount of Indebtedness outstanding under clause (k) of this Section 7.2, shall not exceed \$35,000,000 at any time outstanding;

(t) Indebtedness of any Person that becomes a Restricted Subsidiary or is merged into the Borrower or a Restricted Subsidiary after the Closing Date as part of an acquisition, merger or consolidation or amalgamation or other Investment not prohibited hereunder (a "New Subsidiary"), which Indebtedness exists at the time of such acquisition, merger or consolidation

or amalgamation or other Investment, and any Permitted Refinancing thereof; provided that (A) such Indebtedness exists at the time such Person becomes a Restricted Subsidiary or is merged into the Borrower or a Restricted Subsidiary and is not created in contemplation of or in connection with such Person becoming a Restricted Subsidiary or with such merger (except to the extent such Indebtedness refinanced other Indebtedness to facilitate such Person becoming a Restricted Subsidiary), (B) the aggregate principal amount of Indebtedness permitted by this clause (t) and Sections 7.2(c) and 7.2(u) shall not at any one time outstanding exceed \$75,000,000 and (C) neither the Borrower nor any Restricted Subsidiary (other than the applicable New Subsidiary) shall provide security therefor;

(u) Indebtedness incurred to finance any acquisition or other Investment permitted under Section 7.7 in an aggregate amount for all such Indebtedness together with the aggregate principal amount of Indebtedness permitted by Sections 7.2(c) and 7.2(t) not to exceed \$75,000,000 at any one time outstanding;

(v) other unsecured Indebtedness so long as, at the time of incurrence thereof, (i) after giving effect to the incurrence of such unsecured Indebtedness (as if such unsecured Indebtedness had been incurred on the first day of the most recently completed period of four consecutive fiscal quarters of the Borrower ending on or prior to such date), the Consolidated Total Leverage Ratio would be less than or equal to 4.25 to 1.00, (ii) no Default or Event of Default shall have occurred and be continuing at the time of incurrence of such unsecured Indebtedness or would result therefrom; and (iii) the terms of such unsecured Indebtedness do not provide for any scheduled repayment, mandatory redemption or sinking fund obligation prior to the date at least 180 days following the Term Maturity Date (or such later date that is the latest final maturity date of any incremental extension of credit hereunder);

(w) (i) Indebtedness representing deferred compensation or stock-based compensation to employees of the Borrower or any Restricted Subsidiary incurred in the ordinary course of business and (ii) Indebtedness consisting of obligations of the Borrower or any Restricted Subsidiary under deferred compensation or other similar arrangements incurred in connection with the Merger Transactions and any Investment permitted hereunder;

(x) Indebtedness issued by the Borrower or any Restricted Subsidiary to the officers, directors and employees of Holdings, any Parent Company, the Borrower or any Restricted Subsidiary, in lieu of or combined with cash payments to finance the purchase of Capital Stock of Holdings, any Parent Company or the Borrower, in each case, to the extent such purchase is permitted by Section 7.6(e);

(y) Indebtedness in respect of overdraft facilities, employee credit card programs, netting services, automatic clearinghouse arrangements and other cash management and similar arrangements in the ordinary course of business;

(z) (i) Indebtedness of the Borrower or any of its Restricted Subsidiaries undertaken in connection with cash management and related activities with respect to any Subsidiary or joint venture in the ordinary course of business and (ii) Indebtedness of the Borrower or any Restricted Subsidiary to any joint venture (regardless of the form of legal entity) that is not a Subsidiary arising in the ordinary course of business in connection with the cash management operations (including in respect of intercompany self-insurance arrangements) of the Borrower and its Restricted Subsidiaries;

(aa) all premium (if any), interest (including post-petition interest), fees, expenses, charges, accretion or amortization of original issue discount, accretion of interest paid in kind and additional or contingent interest on obligations described in clauses (a) through (z) above.

For purposes of determining compliance with this Section 7.2, in the event that an item of Indebtedness meets the criteria of more than one of the categories of Indebtedness described in clauses (c), (j), (k), (p), (s)(iii), (t), (u) or (v) above, the Borrower shall, in its sole discretion, classify and reclassify or later divide, classify or reclassify such item of Indebtedness (or any portion thereof) and may include the amount and type of such Indebtedness in one or more of the above clauses; provided, that, for the avoidance of doubt, Indebtedness reclassified under Section 7.2(v) must be unsecured.

7.3 Liens. Create, incur, assume or suffer to exist any Lien upon any of its Property, whether now owned or hereafter acquired, except for:

(a) Liens for taxes not yet due or which are being contested in good faith by appropriate proceedings; provided that adequate reserves with respect thereto are maintained on the books of the Borrower or its Restricted Subsidiaries, as the case may be, to the extent required by GAAP;

(b) landlords', carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business which are not overdue for a period of more than 60 days or that are being contested in good faith by appropriate proceedings;

(c) pledges, deposits or statutory trusts in connection with workers' compensation, unemployment insurance and other social security legislation;

(d) deposits and other Liens to secure the performance of bids, government, trade and other similar contracts (other than for borrowed money), leases, subleases, statutory obligations, surety, judgment and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(e) encumbrances shown as exceptions in the title insurance policies insuring the Mortgages, easements, zoning restrictions, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business that, in the aggregate, do not materially detract from the value of the Property subject thereto or materially interfere with the ordinary conduct of the business of the Borrower or any of its Restricted Subsidiaries;

(f) Liens (i) in existence on the Closing Date listed on Schedule 7.3(f) (or to the extent not listed on such Schedule 7.3(f), where the fair market value of the Property to which such Lien is attached is less than \$5,000,000), (ii) securing Indebtedness permitted by Section 7.2(d) and (iii) created after the Closing Date in connection with any refinancing, refundings, or renewals or extensions thereof permitted by Section 7.2(d); provided that no such Lien is spread to cover any additional Property of the Borrower or any Restricted Subsidiary after the Closing Date and that the amount of Indebtedness secured thereby is not increased;

(g) (i) Liens securing Indebtedness of the Borrower or any Restricted Subsidiary incurred pursuant to Sections 7.2(c), 7.2(g), 7.2(j), 7.2(k), 7.2(r), 7.2(s), 7.2(t), 7.2(u) and 7.2(w); provided that (A) in the case of any such Liens securing Indebtedness incurred pursuant to Section 7.2(u) to the extent incurred to finance Acquisitions or Investments permitted under Section 7.7, (x) such Liens shall be created substantially concurrently with, or within 90 days after, the

acquisition of the assets financed by such Indebtedness and (y) such Liens do not at any time encumber any Property of the Borrower or any Restricted Subsidiary other than the Property financed by such Indebtedness and the proceeds thereof, (B) in the case of any such Liens securing Indebtedness pursuant to Sections 7.2(g) or 7.2(k), such Liens do not at any time encumber any Property of the Borrower or any Subsidiary Guarantor, (C) in the case of any such Liens securing Indebtedness incurred pursuant to Section 7.2(s), such Liens do not encumber any Property other than cash paid to any such insurance company in respect of such insurance and (D) in the case of any such Liens securing Indebtedness pursuant to Section 7.2(t), such Liens exist at the time that the relevant Person becomes a Restricted Subsidiary and are not created in contemplation of or in connection with such Person becoming a Restricted Subsidiary and (ii) any extension, refinancing, renewal or replacement of the Liens described in clause (i) of this Section 7.2(g) in whole or in part; provided that such extension, renewal or replacement shall be limited to all or a part of the property which secured the Lien so extended, renewed or replaced (plus improvements on such property, if any);

(h) Liens created pursuant to the Security Documents;

(i) Liens arising from judgments in circumstances not constituting an Event of Default under Section 8.1(h);

(j) Liens on Property or assets acquired pursuant to an acquisition permitted under Section 7.7 (and the proceeds thereof) or assets of a Restricted Subsidiary in existence at the time such Restricted Subsidiary is acquired pursuant to an acquisition permitted under Section 7.7 and not created in contemplation thereof and Liens created after the Closing Date in connection with any refinancing, refundings, or renewals or extensions of the obligations secured thereby permitted hereunder, provided that no such Lien is spread to cover any additional Property after the Closing Date and that the amount of Indebtedness secured thereby is not increased;

(k) (i) Liens on Property of Non-Guarantor Subsidiaries securing Indebtedness or other obligations not prohibited by this Agreement to be incurred by such Non-Guarantor Subsidiaries and (ii) Liens securing Indebtedness or other obligations of the Borrower or any Subsidiary in favor of any Loan Party;

(l) receipt of progress payments and advances from customers in the ordinary course of business to the extent same creates a Lien on the related inventory and proceeds thereof;

(m) Liens in favor of customs and revenue authorities arising as a matter of law to secure the payment of customs duties in connection with the importation of goods;

(n) Liens arising out of consignment or similar arrangements for the sale by the Borrower and its Restricted Subsidiaries of goods through third parties in the ordinary course of business;

(o) Liens solely on any cash earnest money deposits made by the Borrower or any of its Restricted Subsidiaries in connection with an Investment permitted by Section 7.7;

(p) Liens deemed to exist in connection with Investments permitted by Section 7.7(b) that constitute repurchase obligations;

(q) Liens upon specific items of inventory or other goods and proceeds of the Borrower or any of its Restricted Subsidiaries arising in the ordinary course of business securing such

Person's obligations in respect of bankers' acceptances and letters of credit issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(r) Liens on cash deposits securing any Hedge Agreement permitted hereunder;

(s) any interest or title of a lessor under any leases or subleases entered into by the Borrower or any Restricted Subsidiary in the ordinary course of business and any financing statement filed in connection with any such lease;

(t) Liens on cash or cash equivalents used to defease or to satisfy and discharge Indebtedness, provided that such defeasance or satisfaction and discharge is not prohibited hereunder;

(u) (i) Liens that are contractual rights of set-off (A) relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness, (B) relating to pooled deposit or sweep accounts of the Borrower or any Restricted Subsidiary to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Borrower and the Subsidiaries, (C) relating to purchase orders and other agreements entered into with customers of the Borrower or any Restricted Subsidiary in the ordinary course of business or (D) relating to the Mezzanine Loan Documents and (ii) other Liens securing cash management obligations (that do not constitute Indebtedness) in the ordinary course of business;

(v) Liens arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of set-off or similar rights;

(w) Liens on Capital Stock in joint ventures securing obligations of such joint venture;

(x) Liens on securities that are the subject of repurchase agreements constituting Cash Equivalents or Permitted Liquid Investments;

(y) Liens securing obligations in respect of trade-related letters of credit permitted under Section 7.2 and covering the goods (or the documents of title in respect of such goods) financed by such letters of credit and the proceeds and products thereof;

(z) other Liens with respect to obligations that do not exceed \$35,000,000 at any one time outstanding.

7.4 Fundamental Changes. Consummate any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or Dispose of all or substantially all of its Property or business, except that:

(a) (i) any Restricted Subsidiary may be merged, amalgamated or consolidated with or into the Borrower (provided that the Borrower shall be the continuing or surviving corporation) or (ii) any Restricted Subsidiary may be merged, amalgamated or consolidated with or into any Subsidiary Guarantor (provided that (x) a Subsidiary Guarantor shall be the continuing or surviving corporation or (y) simultaneously with such transaction, the continuing or surviving corporation shall become a Subsidiary Guarantor and the Borrower shall comply with Section 6.8 in connection therewith);



- (b) any Non-Guarantor Subsidiary may be merged or consolidated with or into, or be liquidated into, any other Non-Guarantor Subsidiary that is a Restricted Subsidiary;
  - (c) any Restricted Subsidiary may Dispose of all or substantially all of its assets upon voluntary liquidation or otherwise to the Borrower or any Subsidiary Guarantor;
  - (d) any Non-Guarantor Subsidiary may Dispose of all or substantially all of its assets (upon voluntary liquidation, dissolution, winding-up or otherwise) to any other Non-Guarantor Subsidiary that is a Restricted Subsidiary;
  - (e) Dispositions permitted by Section 7.5 and any merger, dissolution, liquidation, consolidation, investment or Disposition, the purpose of which is to effect a Disposition permitted by Section 7.5 may be consummated;
  - (f) any Investment expressly permitted by Section 7.7 may be structured as a merger, consolidation or amalgamation;
  - (g) the transactions contemplated under the Transaction Documents; and
  - (h) any Restricted Subsidiary may liquidate or dissolve if (i) the Borrower determines in good faith that such liquidation or dissolution is in the best interest of the Borrower and is not materially disadvantageous to the Lenders and (ii) to the extent such Restricted Subsidiary is a Loan Party, any assets or business of such Restricted Subsidiary not otherwise disposed of or transferred in accordance with Section 7.4 or 7.5 or, in the case of any such business, discontinued, shall be transferred to, or otherwise owned or conducted by, a Loan Party after giving effect to such liquidation or dissolution.
- 7.5 Dispositions of Property. Dispose of any of its owned Property (including, without limitation, receivables) whether now owned or hereafter acquired, or, in the case of any Restricted Subsidiary, issue or sell any shares of such Restricted Subsidiary's Capital Stock to any Person, except:
- (a) (i) the Disposition of surplus, obsolete or worn out Property in the ordinary course of business, (ii) the sale of defaulted receivables in the ordinary course of business, (iii) abandonment, cancellation or disposition of any Intellectual Property in the ordinary course of business and (iv) sales, leases or other dispositions of inventory determined by the management of the Borrower to be no longer useful or necessary in the operation of the Business;
  - (b) (i) the sale of inventory or other property in the ordinary course of business, (ii) the cross-licensing or licensing of Intellectual Property, in the ordinary course of business and (iii) the contemporaneous exchange, in the ordinary course of business, of Property for Property of a like kind, to the extent that the Property received in such exchange is of a value equivalent to the value of the Property exchanged (provided that after giving effect to such exchange, the value of the Property of the Borrower or any Subsidiary Guarantor subject to Liens in favor of the Collateral Agent under the Security Documents is not materially reduced);
  - (c) Dispositions permitted by Section 7.4;
  - (d) the sale or issuance of (i) any Subsidiary's Capital Stock to the Borrower or any Subsidiary Guarantor; provided that the sale or issuance of Capital Stock of an Unrestricted Subsidiary to the Borrower or any Restricted Subsidiary is otherwise permitted by Section 7.7,

(ii) the Capital Stock of any Non-Guarantor Subsidiary that is a Restricted Subsidiary to any other Non-Guarantor Subsidiary that is a Restricted Subsidiary and (iii) the Capital Stock of any Subsidiary that is an Unrestricted Subsidiary to any other Subsidiary that is an Unrestricted Subsidiary, in each case, including, without limitation, in connection with any tax restructuring activities not otherwise prohibited hereunder;

(e) the Disposition of other assets for fair market value not to exceed \$200,000,000 in the aggregate; provided that (i) at least 75% of the total consideration for any such Disposition received by the Borrower and its Restricted Subsidiaries is in the form of cash, Cash Equivalents or Permitted Liquid Investments and (ii) the requirements of Section 2.12(b), to the extent applicable, are complied with in connection therewith;

(f) (i) any Recovery Event; provided that the requirements of Section 2.12(b) are complied with in connection therewith and (ii) any event that would constitute a Recovery Event but for the Dollar threshold set forth in the definition thereof;

(g) the leasing, occupancy agreements or sub-leasing of Property pursuant to the Merger Documents or that would not materially interfere with the required use of such Property by the Borrower or its Restricted Subsidiaries;

(h) the transfer for fair value of Property (including Capital Stock of Subsidiaries) to another Person in connection with a joint venture arrangement with respect to the transferred Property; provided that such transfer is permitted under Section 7.7(h) or (v);

(i) the sale or discount, in each case without recourse and in the ordinary course of business, of overdue accounts receivable arising in the ordinary course of business, but only in connection with the compromise or collection thereof consistent with customary industry practice (and not as part of any bulk sale or financing of receivables);

(j) transfers of condemned Property as a result of the exercise of "eminent domain" or other similar policies to the respective Governmental Authority or agency that has condemned the same (whether by deed in lieu of condemnation or otherwise), and transfers of properties that have been subject to a casualty to the respective insurer of such Property as part of an insurance settlement;

(k) the Disposition of any Immaterial Subsidiary or any Unrestricted Subsidiary;

(l) the transfer of Property (including Capital Stock of Subsidiaries) of the Borrower or any Guarantor to any Restricted Subsidiary for fair market value;

(m) the transfer of Property (i) by the Borrower or any Subsidiary Guarantor to the Borrower or any other Subsidiary Guarantor or (ii) from a Non-Guarantor Subsidiary to (A) the Borrower or any Subsidiary Guarantor for no more than fair market value or (B) any other Non-Guarantor Subsidiary that is a Restricted Subsidiary;

(n) the sale of cash, Cash Equivalents or Permitted Liquid Investments in the ordinary course of business;

(o) (i) Liens permitted by Section 7.3, (ii) Restricted Payments permitted by Section 7.6, (iii) Investments permitted by Section 7.7, (iv) payments permitted by Section 7.8 and (v) sale and leaseback transactions permitted by Section 7.10;

(p) Dispositions of Investments in joint ventures to the extent required by, or made pursuant to customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding arrangements; provided that the requirements of Section 2.12(b), to the extent applicable, are complied with in connection therewith; and

(q) Dispositions of Property between or among the Borrower and/or its Restricted Subsidiaries as a substantially concurrent interim Disposition in connection with a Disposition otherwise permitted pursuant to clauses (a) through (p) above.

7.6 Restricted Payments. Declare or pay any dividend on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any Capital Stock of the Borrower or any Subsidiary, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or Property or in obligations of the Borrower or any Restricted Subsidiary, or enter into any derivatives or other transaction with any financial institution, commodities or stock exchange or clearinghouse (a "Derivatives Counterparty") obligating the Borrower or any Restricted Subsidiary to make payments to such Derivatives Counterparty as a result of any change in market value of any such Capital Stock (collectively, "Restricted Payments"), except that:

(a) (i) any Restricted Subsidiary may make Restricted Payments to the Borrower or any Subsidiary Guarantor and (ii) Non-Guarantor Subsidiaries may make Restricted Payments to other Non-Guarantor Subsidiaries;

(b) provided that (x) no Default or Event of Default is continuing or would result therefrom and (y) the Consolidated Total Leverage Ratio for the most recently ended period of four consecutive fiscal quarters of the Borrower shall not exceed 4.50 to 1.00 for such period immediately before and immediately after giving effect to such Restricted Payment, the Borrower may make Restricted Payments in an aggregate amount not to exceed the Available Amount; provided no Restricted Payments under this clause (b) may be made for the purpose of making a dividend or other distribution in respect of, or repurchasing or redeeming, Capital Stock held by the Sponsor or any of its Affiliates (other than Holdings or any Parent Company) in Holdings or any Parent Company; it being understood that such Restricted Payments may be used for such purposes with respect to Capital Stock held by any other Person in Holdings or any Parent Company;

(c) the Borrower may make Restricted Payments to Holdings or any Parent Company to permit Holdings or any Parent Company to pay (i) any taxes which are due and payable by Holdings or any Parent Company, the Borrower and the Restricted Subsidiaries as part of a consolidated group (or shareholders of Holdings, to the extent such taxes are attributable to Holdings, the Borrower and the Restricted Subsidiaries), (ii) customary fees, salary, bonus, severance and other benefits payable to, and indemnities provided on behalf of, their current and former officers and employees and members of their Board of Directors, (iii) ordinary course corporate operating expenses and other fees and expenses required to maintain its corporate existence, (iv) fees and expenses to the extent permitted under clause (i) of the second sentence of Section 7.9, (v) reasonable fees and expenses incurred in connection with any debt or equity offering by Holdings or any Parent Company, to the extent the proceeds thereof are (or, in the

case of an unsuccessful offering, were intended to be) used for the benefit of the Borrower and the Restricted Subsidiaries, whether or not completed, (vi) reasonable fees and expenses in connection with compliance with reporting obligations under, or in connection with compliance with, federal or state laws or under this Agreement or any other Loan Document and the Mezzanine Agreement and any other Mezzanine Loan Document and (vii) amounts due in respect of the Deferred Obligation Amount under the Merger Agreement with the Net Cash Proceeds of any Equity Issuance by, or capital contribution to, the Borrower;

(d) the Borrower may make Restricted Payments in the form of Capital Stock of the Borrower;

(e) the Borrower or any Subsidiary may make Restricted Payments to, directly or indirectly, purchase the Capital Stock of the Borrower, Holdings or any Parent Company from present or former officers, directors, consultants, agents or employees (or their estates, trusts, family members or former spouses) of Holdings, the Borrower, any Parent Company or any Subsidiary upon the death, disability, retirement or termination of the applicable officer, director, consultant, agent or employee or pursuant to any equity subscription agreement, stock option or equity incentive award agreement, shareholders' or members' agreement or similar agreement, plan or arrangement; provided that the aggregate amount of payments under this clause (e) in any fiscal year of the Borrower shall not exceed the sum of (i) \$20,000,000 in any fiscal year (but not exceeding \$50,000,000 in the aggregate since the Closing Date), plus (ii) any proceeds received from key man life insurance policies, plus (iii) any proceeds received by the Borrower, Holdings or any Parent Company during such fiscal year from sales of the Capital Stock of Holdings, the Borrower or any Parent Company to directors, consultants, officers or employees of Holdings, such Parent Company, the Borrower or any Subsidiary in connection with permitted employee compensation and incentive arrangements, plus (iv) the amount of any bona fide cash bonuses otherwise payable to members of management, directors or consultants of Holdings, any Parent Company, the Borrower or its Restricted Subsidiaries in connection with the Transactions that are foregone in return for the receipt of Capital Stock the fair market value of which is equal to or less than the amount of such cash bonuses; provided that any Restricted Payments permitted (but not made) pursuant to sub-clause (ii), (iii) or (iv) of this clause (e) in any prior fiscal year may be carried forward to any subsequent calendar year, and provided, further, that cancellation of Indebtedness owing to the Borrower or any Restricted Subsidiary by any member of management of Holdings, any Parent Company, the Borrower or its Restricted Subsidiaries in connection with a repurchase of the Capital Stock of Holdings or any Parent Company will not be deemed to constitute a Restricted Payment for purposes of this Section 7.6;

(f) noncash repurchases of Capital Stock deemed to occur upon exercise of stock options or similar equity incentive awards if such Capital Stock represents a portion of the exercise price of such options or similar equity incentive awards;

(g) the Borrower and its Restricted Subsidiaries may make Restricted Payments to consummate the Transactions (including any Restricted Payments contemplated by the Merger Agreement);

(h) the Borrower may make Restricted Payments to allow Holdings or any Parent Company to make payments in cash, in lieu of the issuance of fractional shares, upon the exercise of warrants or upon the conversion or exchange of Capital Stock of any such Person;

(i) so long as no Event of Default under Section 8.1(a) or 8.1(f) has occurred and is continuing, the Borrower and its Restricted Subsidiaries may make Restricted Payments to make payments provided for in the Management Agreement;

(j) to the extent constituting Restricted Payments, the Borrower and its Restricted Subsidiaries may enter into and consummate transactions expressly permitted by any provision of Sections 7.4, 7.5, 7.7 and 7.9;

(k) any non-wholly owned Restricted Subsidiary of the Borrower may declare and pay cash dividends to its equity holders generally so long as the Borrower or its respective Subsidiary which owns the equity interests in the Restricted Subsidiary paying such dividend receives at least its proportional share thereof (based upon its relative holding of the equity interests in the Restricted Subsidiary paying such dividends and taking into account the relative preferences, if any, of the various classes of equity interest of such Restricted Subsidiary);

(l) the Borrower may make Restricted Payments using any amounts placed in escrow in connection with the Transactions;

(m) provided that (i) no Default or Event of Default is continuing or would result therefrom and (ii) the Consolidated Total Leverage Ratio for the most recently ended period of four consecutive fiscal quarters of the Borrower shall not exceed 2.00 to 1.00 for such period immediately before and immediately after giving effect to such Restricted Payment, at any time following the sixth anniversary of the Closing Date, the Borrower and its Restricted Subsidiaries may make Restricted Payments to redeem or purchase the Capital Stock of the Borrower, Holdings or any Parent Company in an amount not to exceed 10% of the Borrower's Consolidated EBITDA in any fiscal year; provided no Restricted Payments under this clause (m) may be made for the purpose of making a dividend or other distribution in respect of, or repurchasing or redeeming, Capital Stock held by the Sponsor or any of its Affiliates (other than Holdings or any Parent Company) in Holdings or any Parent Company; it being understood that such Restricted Payments may be used for such purposes with respect to Capital Stock held by any other Person in Holdings or any Parent Company;

(n) provided that no Default or Event of Default is continuing or would result therefrom, after a Holdings IPO, the Borrower may make Restricted Payments to Holdings or any Parent Company so that Holdings or any Parent Company may make Restricted Payments to its equity holders in an aggregate amount not exceeding 6.0% per annum of the Net Cash Proceeds received by the Borrower from such Holdings IPO; provided that the Available Amount shall be reduced by a corresponding amount of any such Restricted Payments;

(o) provided that no Default or Event of Default is continuing or would result therefrom, other Restricted Payments in an amount not to exceed \$30,000,000; provided that no Restricted Payments under this clause (o) may be made for the purpose of making a dividend or other distribution in respect of, or repurchasing or redeeming, Capital Stock held by the Sponsor or any of its Affiliates (other than Holdings or any Parent Company) in Holdings or any Parent Company; it being understood that such Restricted Payments may be used for such purposes with respect to Capital Stock held by any other Person in Holdings or any Parent Company; and

(p) the Borrower may make Restricted Payments in connection with the Recapitalization Transactions (including but not limited to Restricted Payments from time to time to, or to permit Holdings or any Parent Company to make payments to, holders of outstanding stock options in

respect of adjustments to the outstanding stock options in connection with the Recapitalization Transactions) in an amount not to exceed \$650,000,000.

7.7 Investments. Make any advance, loan, extension of credit (by way of guaranty or otherwise) or capital contribution to, or purchase any Capital Stock, bonds, notes, debentures or other debt securities of, or all or substantially all of the assets constituting an ongoing business from, or make any other similar investment in, any other Person (all of the foregoing, "Investments"), except:

(a) (i) extensions of trade credit in the ordinary course of business and (ii) purchases and acquisitions of inventory, supplies, materials and equipment or purchases of contract rights or licenses or leases of Intellectual Property in each case in the ordinary course of business, to the extent such purchases and acquisitions constitute Investments;

(b) Investments in Cash Equivalents and Investments that were Cash Equivalents when made;

(c) Investments arising in connection with (i) the incurrence of Indebtedness permitted by Sections 7.2 to the extent arising as a result of Indebtedness among Holdings, the Borrower or any Restricted Subsidiary and Guarantee Obligations permitted by Section 7.2 and payments made in respect of such Guarantee Obligations, (ii) the forgiveness or conversion to equity of any Indebtedness permitted by Section 7.2 and (iii) Guarantees by any Borrower or any Restricted Subsidiary of operating leases (other than Capital Lease Obligations) or of other obligations that do not constitute Indebtedness, in each case entered into in the ordinary course of business;

(d) loans and advances to employees, consultants or directors of Holdings, the Borrower or any of its Restricted Subsidiaries in the ordinary course of business in an aggregate amount (for Holdings, the Borrower and all Restricted Subsidiaries) not to exceed \$5,000,000 (excluding (for purposes of such cap) tuition advances, travel and entertainment expenses, but including relocation expenses) at any one time outstanding;

(e) Investments (other than those relating to the incurrence of Indebtedness permitted by Section 7.7(c)) by the Borrower or any of its Restricted Subsidiaries in the Borrower or any Person that, prior to such Investment, is a Subsidiary Guarantor or is a Domestic Subsidiary that becomes a Subsidiary Guarantor at the time of such Investment;

(f) (i) Permitted Acquisitions to the extent that any Person or Property acquired in such acquisition becomes a Subsidiary Guarantor or a part of the Borrower or any Subsidiary Guarantor or becomes (whether or not such Person is a wholly owned Subsidiary) a Subsidiary Guarantor in the manner contemplated by Section 6.8(c) and (ii) other Permitted Acquisitions in an aggregate purchase price in the case of this clause (ii) (other than purchase price paid through the issuance of equity by Holdings or any Parent Company with the proceeds thereof, including (A) (x) whether or not any equity is issued, capital contributions (other than relating to Disqualified Capital Stock) and (y) equity issued to the seller) in an aggregate amount not to exceed \$75,000,000 plus (B) an amount equal to the Available Amount; provided that after giving effect to any such Permitted Acquisition the Borrower shall be in pro forma compliance with the financial covenants set forth in Section 7.1;

(g) loans by the Borrower or any of its Restricted Subsidiaries to the employees, officers or directors of Holdings, the Borrower or any of its Restricted Subsidiaries in connection with management incentive plans; provided that such loans represent cashless transactions pursuant to

which such employees, officers or directors directly invest the proceeds of such loans in the Capital Stock of Holdings;

(h) Investments by the Borrower and its Restricted Subsidiaries in joint ventures or similar arrangements and Non-Guarantor Subsidiaries in an aggregate amount at any one time outstanding (for the Borrower and all Restricted Subsidiaries), not to exceed the sum of (A) \$50,000,000 plus (B) an amount equal to the Available Amount; provided, that any Investment made for the purpose of funding a Permitted Acquisition permitted under Section 7.7(f) shall not be deemed a separate Investment for the purposes of this clause (h); provided, further, that no Investment may be made pursuant to this clause (h) in any Unrestricted Subsidiary for the purpose of making a Restricted Payment prohibited pursuant to Section 7.6;

(i) Investments (including debt obligations) received in the ordinary course of business by the Borrower or any Restricted Subsidiary in connection with the bankruptcy or reorganization of suppliers, customers and other Persons and in settlement of delinquent obligations of, and other disputes with, suppliers, customers and other Persons arising out of the ordinary course of business;

(j) Investments by any Non-Guarantor Subsidiary in any other Non-Guarantor Subsidiary;

(k) Investments in existence on, or pursuant to legally binding written commitments in existence on, the Closing Date and listed on Schedule 7.7 and, in each case, any extensions or renewals thereof, so long as the amount of any Investment made pursuant to this clause (k) is not increased at any time above the amount of such Investment set forth on Schedule 7.7;

(l) Investments of the Borrower or any Restricted Subsidiary under Hedge Agreements permitted hereunder;

(m) Investments of any Person in existence at the time such Person becomes a Restricted Subsidiary; provided that such Investment was not made in connection with or in anticipation of such Person becoming a Restricted Subsidiary;

(n) Investments arising as a result of payments permitted by Section 7.8(a);

(o) consummation of the Merger Transactions pursuant to the Merger Documents and the Company Reorganization;

(p) Subsidiaries of the Borrower may be established or created, if (i) to the extent such new Subsidiary is a Domestic Subsidiary, the Borrower and such Subsidiary comply with the provisions of Section 6.8(c) and (ii) to the extent such new Subsidiary is a Foreign Subsidiary, the Borrower complies with the provisions of Section 6.8(d); provided that, in each case, to the extent such new Subsidiary is created solely for the purpose of consummating a merger transaction pursuant to an acquisition permitted by this Section 7.7, and such new Subsidiary at no time holds any assets or liabilities other than any merger consideration contributed to it contemporaneously with the closing of such merger transactions, such new Subsidiary shall not be required to take the actions set forth in Section 6.8(c) or 6.8(d), as applicable, until the respective acquisition is consummated (at which time the surviving entity of the respective merger transaction shall be required to so comply within ten Business Days or such longer period as the Administrative Agent shall agree);

- (q) Investments arising directly out of the receipt by the Borrower or any Restricted Subsidiary of non-cash consideration for any sale of assets permitted under Section 7.5; provided that such non-cash consideration shall in no event exceed 25% of the total consideration received for such sale;
- (r) Investments resulting from pledges and deposits referred to in Sections 7.3(c) and (d);
- (s) Investments consisting of the licensing or contribution of Intellectual Property pursuant to joint marketing arrangements with other persons;
- (t) any Investment in a Foreign Subsidiary to the extent such Investment is substantially contemporaneously repaid in full with a dividend or other distribution from such Foreign Subsidiary;
- (u) Investments in the ordinary course of business consisting of UCC Article 3 endorsements for collection or deposit and UCC Article 4 customary trade arrangements with customers consistent with past practices;
- (v) additional Investments so long as the aggregate amount thereof outstanding at no time exceeds the sum of (i) \$25,000,000 plus (ii) an amount equal to the Available Amount; provided that no Investment may be made pursuant to this clause (v) in any Unrestricted Subsidiary for the purpose of making a Restricted Payment prohibited pursuant to Section 7.6;
- (w) advances of payroll payments to employees, or fee payments to directors or consultants, in the ordinary course of business;
- (x) Investments in Permitted Liquid Investments and Investments that were Permitted Liquid Investments when made in an amount not to exceed \$40,000,000 at any one time outstanding; and
- (y) Investments constituting loans or advances by the Borrower to Holdings or a Parent Company in lieu of Restricted Payments permitted pursuant to Section 7.6.

It is further understood and agreed that for purposes of determining the value of any Investment outstanding for purposes of this Section 7.7, such amount shall be deemed to be the amount of such Investment when made, purchased or acquired less any returns on such Investment (not to exceed the original amount invested). Notwithstanding the foregoing, no Investment in an Unrestricted Subsidiary is permitted under this Section 7.7 unless such Investment is permitted pursuant to clause (h) or (v) above.

**7.8 Optional Payments and Modifications of Certain Debt Instruments.** (a) Make any optional or voluntary payment, prepayment, repurchase or redemption of, or otherwise voluntarily or optionally defease (i) any Mezzanine Facility Indebtedness then outstanding or (ii) the principal of or interest on, or any other amount owing in respect of any Permitted Subordinated Indebtedness; provided that (A) the Borrower or any Restricted Subsidiary may prepay any Mezzanine Facility Indebtedness (or any Permitted Refinancing thereof) with amounts constituting the Available Amount at any time if the Consolidated Total Leverage Ratio is equal to or less than 4.50 to 1.00 as of the end of the most recently ended Reference Period, (B) the Borrower or any Restricted Subsidiary may prepay any Permitted Subordinated Indebtedness (or any Permitted Refinancing thereof) with amounts constituting the Available Amount at any time if the Consolidated Total Leverage Ratio is equal to or less than 4.50 to 1.00 as of the end of the most recently ended Reference Period, (C) the Borrower or any Restricted



Subsidiary may refinance, replace or extend any Mezzanine Facility Indebtedness or Permitted Subordinated Indebtedness to the extent permitted by Section 7.2 and (D) the Borrower or any Restricted Subsidiary may convert any Mezzanine Facility Indebtedness or any Permitted Subordinated Indebtedness (or any Permitted Refinancing thereof) to the Capital Stock of Holdings or any Parent Company, (E) the Borrower may prepay the Mezzanine Facility Indebtedness (or any Permitted Refinancing thereof) in an aggregate principal amount not to exceed \$75,000,000 at any time if the Consolidated Total Leverage Ratio is equal to or less than 4.00 to 1.00 as of the end of the most recently ended Reference Period and (F) the Borrower may prepay the Mezzanine Facility Indebtedness (or any Permitted Refinancing thereof) with the Net Cash Proceeds received from any Equity Issuance by, or capital contribution to, Holdings or the Borrower (which in the case of any such Equity Issuance by the Borrower, is not Disqualified Capital Stock) which, in the case of any such Equity Issuance by, or capital contribution to, Holdings, have been contributed in cash as common equity to the Borrower, in each case to the extent it is not a Specified Equity Contribution. Notwithstanding the foregoing, nothing in this Section 7.8 shall prohibit any AHYDO Payments in respect of the Mezzanine Facility Indebtedness or any Permitted Subordinated Indebtedness or, in each case, any Permitted Refinancing thereof.

(b) Amend, modify or otherwise change, or consent or agree to any amendment, modification, waiver or other change to, any of the terms of any Permitted Subordinated Indebtedness or Mezzanine Loan Document, in any manner that is materially adverse to the Lenders without the prior consent of the Administrative Agent (with the approval of the Required Lenders); provided that nothing in this Section 7.8(b) shall prohibit the refinancing, replacement, extension or other similar modification of the Permitted Subordinated Indebtedness or the Mezzanine Facility Indebtedness to the extent otherwise permitted by Section 7.2.

7.9 Transactions with Affiliates. Enter into any transaction, including, without limitation, any purchase, sale, lease or exchange of Property, the rendering of any service or the payment of any management, advisory or similar fees, with any Affiliate (other than Holdings, the Borrower or any Restricted Subsidiary) unless such transaction is (a) otherwise not prohibited under this Agreement and (b) upon fair and reasonable terms no less favorable to the Borrower or such Restricted Subsidiary, as the case may be, than it would obtain in a comparable arm's length transaction with a Person that is not an Affiliate. Notwithstanding the foregoing, the Borrower and its Restricted Subsidiaries may (i) pay to the Sponsor and its Affiliates fees, indemnities and expenses pursuant to the Management Agreement and/or fees and expenses in connection with the Merger and disclosed to the Administrative Agent prior to the Closing Date; (ii) enter into any transaction with an Affiliate that is not prohibited by the terms of this Agreement to be entered into by the Borrower or such Restricted Subsidiary with an Affiliate; (iii) make any Restricted Payments contemplated by the Merger Agreement, and otherwise perform their obligations under the Transaction Documents and (iv) without being subject to the terms of this Section 7.9, enter into any transaction with any Person which is an Affiliate of Holdings only by reason of such Person and Holdings having common directors. For the avoidance of doubt, this Section 7.9 shall not apply to employment, bonus, retention and severance arrangements with, and payments of compensation or benefits to or for the benefit of, current or former employees, consultants, officers or directors of the Borrower or any of its Restricted Subsidiaries in the ordinary course of business. For purposes of this Section 7.9, any transaction with any Affiliate shall be deemed to have satisfied the standard set forth in clause (b) of the first sentence hereof if such transaction is approved by a majority of the Disinterested Directors of the board of directors of the Borrower or such Restricted Subsidiary, as applicable. "Disinterested Director" shall mean, with respect to any Person and transaction, a member of the Board of Directors of such Person who does not have any material direct or indirect financial interest in or with respect to such transaction.

7.10 Sales and Leasebacks. Enter into any arrangement with any Person providing for the leasing by the Borrower or any Restricted Subsidiary of real or personal Property which is to be sold or transferred by the Borrower or such Restricted Subsidiary (a) to such Person or (b) to any other Person to whom funds have been or are to be advanced by such Person on the security of such Property or rental obligations of the Borrower or such Restricted Subsidiary, except for (i) any such arrangement entered into in the ordinary course of business of the Borrower and its Subsidiaries, (ii) sales or transfers by the Borrower or any Subsidiary Guarantor to the Borrower or any other Subsidiary Guarantor, (iii) sales or transfers by any Non Guarantor Subsidiary to any other Non Guarantor Subsidiary that is a Restricted Subsidiary and (iv) any such arrangement to the extent that the fair market value of such Property does not exceed \$35,000,000 in the aggregate for all such arrangements.

7.11 Changes in Fiscal Periods. Permit the fiscal year of the Borrower to end on a day other than March 31.

7.12 Negative Pledge Clauses. Enter into any agreement that prohibits or limits the ability of the Borrower or any of its Restricted Subsidiaries to create, incur, assume or suffer to exist any Lien upon any of its Property, whether now owned or hereafter acquired, to secure the Obligations or, in the case of any Subsidiary Guarantor, its obligations under the Guarantee and Collateral Agreement, other than:

- (a) this Agreement and the other Loan Documents and the Mezzanine Loan Documents;
- (b) any agreements governing any purchase money Liens or Capital Lease Obligations otherwise permitted hereby (in which case, any prohibition or limitation shall only be effective against the assets financed thereby and the proceeds thereof);
- (c) software and other Intellectual Property licenses pursuant to which the Borrower or such Restricted Subsidiary is the licensee of the relevant software or Intellectual Property, as the case may be, (in which case, any prohibition or limitation shall relate only to the assets subject of the applicable license);
- (d) Contractual Obligations incurred in the ordinary course of business and on customary terms which limit Liens on the assets subject of the applicable Contractual Obligation;
- (e) any agreements regarding Indebtedness or other obligations of any Non-Guarantor Subsidiary not prohibited under Section 7.2 (in which case, any prohibition or limitation shall only be effective against the assets of such Non-Guarantor Subsidiary and its Subsidiaries);
- (f) prohibitions and limitations in effect on the Closing Date and listed on Schedule 7.12;
- (g) customary provisions contained in joint venture agreements and other similar agreements applicable to joint ventures entered into in the ordinary course of business;
- (h) customary provisions restricting the subletting or assignment of any lease governing a leasehold interest;
- (i) customary restrictions and conditions contained in any agreement relating to any Disposition of Property not prohibited hereunder;

(j) any agreement in effect at the time any Person becomes a Subsidiary, so long as such agreement was not entered into in contemplation of such Person becoming a Subsidiary;

(k) restrictions imposed by applicable law;

(l) restrictions imposed by any Permitted Subordinated Indebtedness (i) that are consistent with the definition thereof or otherwise consistent with prevailing market practice for similar types of Indebtedness at the time such restrictions are incurred or (ii) to which the Administrative Agent has not objected after having been afforded a period of at least five Business Days to review such restrictions;

(m) restrictions in respect of Indebtedness secured by Liens permitted by Sections 7.3(g) and 7.3(z) relating solely to the assets or proceeds thereof secured by such Indebtedness to the extent required to be so limited by such Sections; and

(n) customary provisions restricting assignment of any agreement entered into in the ordinary course of business.

7.13 Clauses Restricting Subsidiary Distributions. Enter into any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to (a) make Restricted Payments in respect of any Capital Stock of such Restricted Subsidiary held by, or pay any Indebtedness owed to, the Borrower or any Restricted Subsidiary or (b) make Investments in the Borrower or any Restricted Subsidiary, except for such encumbrances or restrictions existing under or by reason of (i) any restrictions existing under the Loan Documents and the Mezzanine Loan Documents, (ii) any restrictions with respect to such Restricted Subsidiary imposed pursuant to an agreement that has been entered into in connection with the Disposition of all or substantially all of the Capital Stock or assets of such Restricted Subsidiary, (iii) customary net worth provisions contained in Real Property leases entered into by the Borrower and its Restricted Subsidiaries, so long as the Borrower has determined in good faith that such net worth provisions would not reasonably be expected to impair the ability of the Borrower and its Restricted Subsidiaries to meet their ongoing obligations, (iv) any restrictions contained in agreements related to Indebtedness of any Non-Guarantor Subsidiary not prohibited under Section 7.2 (in which case such restriction shall relate only to such Indebtedness and/or such Non-Guarantor Subsidiary and its Restricted Subsidiaries) or Indebtedness secured by Liens permitted by Sections 7.3(g) and 7.3(z), (v) any restrictions regarding licenses or sublicenses by the Borrower and its Restricted Subsidiaries of Intellectual Property in the ordinary course of business (in which case such restriction shall relate only to such Intellectual Property), (vi) Contractual Obligations incurred in the ordinary course of business which include customary provisions restricting the assignment of any agreement relating thereto, (vii) customary provisions contained in joint venture agreements and other similar agreements applicable to joint ventures entered into in the ordinary course of business, (viii) customary provisions restricting the subletting or assignment of any lease governing a leasehold interest, (ix) customary restrictions and conditions contained in any agreement relating to any Disposition of Property not prohibited hereunder, (x) any agreement in effect at the time any Person becomes a Restricted Subsidiary, so long as such agreement was not entered into in contemplation of such Person becoming a Restricted Subsidiary and (xi) restrictions on cash or other deposits imposed by customers under contracts entered into in the ordinary course of business.

7.14 Lines of Business. Enter into any business, either directly or through any of its Restricted Subsidiaries, except for the Business or a business reasonably related thereto or that are reasonable extensions thereof.

7.15 Limitation on Hedge Agreements. Enter into any Hedge Agreement other than Hedge Agreements entered into in the ordinary course of business, and not for speculative purposes.

7.16 Changes in Jurisdictions of Organization; Name. Other than pursuant to the Transactions, in the case of any Loan Party, change its name or change its jurisdiction of organization, in either case except upon prompt written notice to the Collateral Agent and delivery to the Collateral Agent, of all additional executed financing statements, financing change statements and other documents reasonably requested by the Collateral Agent to maintain the validity, perfection and priority of the security interests provided for in the Security Documents.

7.17 Limitation on Activities of Holdings. In the case of Holdings only, notwithstanding anything to the contrary in this Agreement or any other Loan Document, Holdings shall not, so long as the Commitments remain in effect, any Letter of Credit remains outstanding (that has not been cash collateralized or backstopped, in each case on terms agreed to by the Borrower and the applicable Issuing Lender) or any Loan or other amount is owing to any Lender or any Agent hereunder (other than (i) contingent or indemnification obligations not then due and (ii) obligations in respect of Specified Hedge Agreements and Cash Management Obligations): conduct, transact or otherwise engage in, or commit to conduct, transact or otherwise engage in, any business or operations other than (i) those incidental to its ownership of the Capital Stock of the Borrower and the Subsidiaries of the Borrower and those incidental to Investments by or in Holdings permitted hereunder, (ii) activities incidental to the maintenance of its existence and compliance with applicable laws and legal, tax and accounting matters related thereto and activities relating to its employees, (iii) activities relating to the performance of obligations under the Loan Documents and the Mezzanine Loan Documents to which it is a party or expressly permitted thereunder, (iv) the making of Restricted Payments to the extent of Restricted Payments permitted to be made to Holdings pursuant to Section 7.6, (v) the receipt and payment of Restricted Payments permitted under Section 7.6, (vi) those related to the Transactions and in connection with the Merger Documents and other agreements contemplated thereby or hereby, (vii) to the extent that Section 7 expressly permits the Borrower or a Restricted Subsidiary to enter into a transaction with Holdings, (viii) activities in connection with or in preparation for an initial public offering and (ix) activities incidental to the foregoing activities.

#### SECTION 8. EVENTS OF DEFAULT

8.1 Events of Default. If any of the following events shall occur and be continuing:

(a) The Borrower shall fail to pay (i) any principal of any Loan when due in accordance with the terms hereof, (ii) any principal of any Reimbursement Obligation within three Business Days after any such Reimbursement Obligation becomes due in accordance with the terms hereof or (iii) any interest owed by it on any Loan or Reimbursement Obligation, or any other amount payable by it hereunder or under any other Loan Document, within five Business Days after any such interest or other amount becomes due in accordance with the terms hereof; or

(b) (i) On the Closing Date, any Specified Representation, and (ii) at any time after the Closing Date, any representation or warranty made or deemed made by any Loan Party herein or in any other Loan Document or that is contained in any certificate, document or financial or other statement furnished by it at any time under or in connection with this Agreement or any such other Loan Document, shall in either case prove to have been inaccurate in any material respect and such inaccuracy is adverse to the Lenders on or as of the date made or deemed made or furnished; or

(c) Any Loan Party shall default in the observance or performance of any agreement contained in Section 6.7(a) or Section 7; provided that, any Event of Default under Section 7.1 is subject to cure as contemplated by Section 8.2; or

(d) Any Loan Party shall default in the observance or performance of any other agreement contained in this Agreement or any other Loan Document (other than as provided in paragraphs (a) through (c) of this Section 8.1), and such default shall continue unremedied for a period of 30 days after the earlier of the date that (x) such Loan Party receives from the Administrative Agent or the Required Lenders notice of the existence of such default or (y) a Responsible Officer of such Loan Party has knowledge thereof; or

(e) Holdings, the Borrower or any of its Restricted Subsidiaries shall (i) default in making any payment of any principal of any Indebtedness for Borrowed Money (excluding the Loans and Reimbursement Obligations) on the scheduled or original due date with respect thereto; or (ii) default in making any payment of any interest on any such Indebtedness for Borrowed Money beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness for Borrowed Money was created; or (iii) default in the observance or performance of any other agreement or condition relating to any such Indebtedness for Borrowed Money or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event of default shall occur, the effect of which payment or other default or other event of default is to cause, or to permit the holder or beneficiary of such Indebtedness (or a trustee or agent on behalf of such holder or beneficiary) to cause, with the giving of notice if required, such Indebtedness for Borrowed Money to become due prior to its stated maturity or to become subject to a mandatory offer to purchase by the obligor thereunder or to become payable; provided that (A) a default, event or condition described in this paragraph shall not at any time constitute an Event of Default unless, at such time, one or more defaults or events of default of the type described in this paragraph shall have occurred and be continuing with respect to Indebtedness for Borrowed Money the outstanding principal amount of which individually exceeds \$25,000,000, and in the case of Indebtedness for Borrowed Money of the types described in clauses (i) and (ii) of the definition thereof, with respect to such Indebtedness which exceeds such amount either individually or in the aggregate and (B) this paragraph (e) shall not apply to (i) secured Indebtedness that becomes due as a result of the sale, transfer, destruction or other disposition of the Property or assets securing such Indebtedness for Borrowed Money if such sale, transfer, destruction or other disposition is not prohibited hereunder and under the documents providing for such Indebtedness or (ii) any Guarantee Obligations except to the extent such Guarantee Obligations shall become due and payable by any Loan Party and remain unpaid after any applicable grace period or period permitted following demand for the payment thereof; or

(f) (i) Holdings, the Borrower or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or Holdings, the Borrower or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against Holdings, the Borrower or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) any case, proceeding or other action of a nature referred to in clause (i) above that (A) results in the entry of an order for

relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of 60 days; or (iii) there shall be commenced against Holdings, the Borrower or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against substantially all of its assets that results in the entry of an order for any such relief that shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) Holdings, the Borrower or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) shall consent to or approve of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) Holdings, the Borrower or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(g) (i) Holdings, the Borrower or any of its Restricted Subsidiaries shall incur any liability in connection with any "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Plan, (ii) a failure to meet the minimum funding standards (as defined in Section 302(a) of ERISA), whether or not waived, shall exist with respect to any Single Employer Plan or any Lien in favor of the PBGC or a Plan shall arise on the assets of Holdings, the Borrower or any of its Restricted Subsidiaries, (iii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Single Employer Plan, which Reportable Event or commencement of proceedings or appointment of a trustee is reasonably likely to result in the termination of such Single Employer Plan for purposes of Title IV of ERISA, (iv) any Single Employer Plan shall terminate in a distress termination under Section 4041(c) of ERISA or in an involuntary termination by the PBGC under Section 4042 of ERISA, (v) Holdings, the Borrower or any of its Restricted Subsidiaries shall, or is reasonably likely to, incur any liability as a result of a withdrawal from, or the Insolvency or Reorganization of, a Multiemployer Plan or (vi) any other event or condition shall occur or exist with respect to a Plan or a Commonly Controlled Plan; and in each case in clauses (i) through (vi) above, such event or condition, together with all other such events or conditions, if any, could reasonably be expected to result in a direct obligation of Holdings, the Borrower or any of its Restricted Subsidiaries to pay money that could have a Material Adverse Effect; or

(h) One or more judgments or decrees shall be entered against Holdings, the Borrower or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) involving for Holdings, the Borrower and any such Restricted Subsidiaries taken as a whole a liability (not paid or fully covered by third-party insurance or effective indemnity) of \$25,000,000 (net of any amounts which are covered by insurance or an effective indemnity) or more, and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 30 days from the entry thereof; or

(i) (i) Any of the Security Documents shall cease, for any reason (other than by reason of the express release thereof in accordance with the terms thereof) to be in full force and effect or shall be asserted in writing by the Borrower or any Subsidiary Guarantor not to be a legal, valid and binding obligation of any party thereto, (ii) any security interest purported to be created by any Security Document and to extend to Collateral that is not immaterial to the Borrower and its Restricted Subsidiaries on a consolidated basis shall cease to be, or shall be asserted in writing by any Loan Party not to be, a valid and perfected security interest (having the priority required by this Agreement or the relevant Security Document) in the securities, assets or properties covered thereby, except to the extent that (x) any such loss of perfection or priority results from

limitations of foreign laws, rules and regulations as they apply to pledges of Capital Stock in Foreign Subsidiaries or the application thereof, or from the failure of the Collateral Agent to maintain possession of certificates actually delivered to it representing securities pledged under the Guarantee and Collateral Agreement or to file UCC continuation statements, (y) such loss is covered by a lender's title insurance policy and the Administrative Agent shall be reasonably satisfied with the credit of such insurer or (z) any such loss of validity, perfection or priority is the result of any failure by the Collateral Agent to take any action necessary to secure the validity, perfection or priority of the liens or (iii) the Guarantees pursuant to the Security Documents by any Loan Party of any of the Obligations shall cease to be in full force and effect (other than in accordance with the terms thereof), or shall be asserted in writing by any Loan Party not to be in effect or not to be legal, valid and binding obligations; or

(j) (i) Holdings shall cease to own, directly or indirectly, 100% of the Capital Stock of the Borrower; or (ii) at any time before Holdings' or any Parent Company's Capital Stock is traded on a nationally-recognized stock exchange, the Permitted Investors shall cease to own, directly or indirectly, at least 51% of the Capital Stock of Holdings; or (iii) at any time after Holdings' or any Parent Company's Capital Stock is traded on a nationally-recognized stock exchange and for any reason whatsoever, (x) a majority of the Board of Directors of Holdings shall not be Continuing Directors or (y) the Permitted Investors shall cease to own, directly or indirectly, at least 35% of the Capital Stock of Holdings and any other "person" or "group" (within the meaning of Rule 13d-5 of the Securities Exchange Act of 1934 as in effect on the Closing Date) shall own a greater amount (it being understood that if any such person or group includes one or more Permitted Investors, the shares of Capital Stock of Holdings directly or indirectly owned by the Permitted Investors that are part of such person or group shall not be treated as being owned by such person or group for purposes of determining whether this clause (y) is triggered) (any of the foregoing, a "Change of Control");

then, and in any such event, (A) if such event is an Event of Default specified in clause (i) or (ii) of paragraph (f) above with respect to the Borrower, automatically the Commitments shall immediately terminate and the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents shall immediately become due and payable, and (B) if such event is any other Event of Default, either or both of the following actions may be taken: (i) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower declare the Revolving Commitments to be terminated forthwith, whereupon the Revolving Commitments shall immediately terminate; and (ii) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower, declare the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents to be due and payable forthwith, whereupon the same shall immediately become due and payable. In the case of all Letters of Credit with respect to which presentment for honor shall not have occurred at the time of an acceleration pursuant to this paragraph, the Borrower shall at such time deposit in a cash collateral account opened by the Administrative Agent an amount equal to the aggregate then undrawn and unexpired amount of such Letters of Credit. Amounts held in such cash collateral account shall be applied by the Administrative Agent to the payment of drafts drawn under such Letters of Credit, and the unused portion thereof after all such Letters of Credit shall have expired or been backstopped or been fully drawn upon, if any, shall be applied to repay other obligations of the Borrower hereunder and under the other Loan Documents. After all such Letters of Credit shall have expired or been fully drawn upon, all Reimbursement Obligations shall have been satisfied and all other obligations of the Borrower then due and owing hereunder and under the other Loan Documents shall have been paid in full, the balance, if any, in such cash collateral account shall be returned to the Borrower (or such other Person as

may be lawfully entitled thereto). Except as expressly provided above in this Section 8.1 or otherwise in any Loan Document, presentment, demand and protest of any kind are hereby expressly waived by Holdings and the Borrower.

8.2 Specified Equity Contributions. For purposes of determining compliance with Section 7.1 only (and not any other provision of this Agreement, including any such other provision that utilizes a calculation of Consolidated EBITDA), any equity contribution (other than Disqualified Capital Stock) made by Holdings or any of the other direct or indirect equityholders of the Borrower to the Borrower, on or after the Closing Date and on or prior to the day that is 10 Business Days after the day on which financial statements are required to be delivered for such fiscal quarter pursuant to Section 6.1 shall, at the request of the Borrower, be deemed to increase, dollar for dollar, Consolidated EBITDA for such fiscal quarter for the purposes of determining compliance with Section 7.1 at the end of such fiscal quarter and applicable subsequent periods (it being understood that each such contribution shall be effective as to such fiscal quarter for all periods in which such fiscal quarter is included) (any such equity contribution so included in the calculation of Consolidated EBITDA, a "Specified Equity Contribution"); provided that (a) in each four fiscal quarter period there shall be a period of at least three fiscal quarters in which no Specified Equity Contribution is made, (b) the amount of any Specified Equity Contribution shall be no greater than the amount required to cause the Borrower to be in compliance with Section 7.1, (c) no more than four Specified Equity Contributions may be made in the aggregate prior to the Tranche B Term Loan Maturity Date, (d) Specified Equity Contributions shall not be included in cash, Cash Equivalents and Permitted Liquid Investments for purposes of calculating Consolidated Total Leverage and (e) all Specified Equity Contributions shall be disregarded for any purpose under this Agreement other than determining compliance with Section 7.1.

If, after the making of the Specified Equity Contribution and the recalculations of Consolidated EBITDA pursuant to the preceding paragraph, the Borrower shall then be in compliance with the requirements of Section 7.1, the Borrower shall be deemed to have satisfied the requirements of such covenant as of the relevant date of determination with the same effect as though there had been no failure to comply therewith at such date, and the applicable Event of Default that had occurred shall be deemed cured.

#### SECTION 9. THE AGENTS

9.1 Appointment. Each Lender hereby irrevocably designates and appoints each Agent as the agent of such Lender under the Loan Documents and each such Lender irrevocably authorizes each Agent, in such capacity, to take such action on its behalf under the provisions of the applicable Loan Documents and to exercise such powers and perform such duties as are expressly delegated to such Agent by the terms of the applicable Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Agents shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Agents.

9.2 Delegation of Duties. Each Agent may execute any of its duties under the applicable Loan Documents by or through any of its branches, agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Neither Agent shall be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.



9.3 Exculpatory Provisions. Neither any Agent nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or any other Loan Document (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from its or such Person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by any Loan Party or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Agents under or in connection with, this Agreement or any other Loan Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document or for any failure of any Loan Party a party thereto to perform its obligations hereunder or thereunder. The Agents shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the properties, books or records of any Loan Party.

9.4 Reliance by the Agents. The Agents shall be entitled to rely, and shall be fully protected in relying, upon any instrument, writing, resolution, notice, consent, certificate, affidavit, letter, teletype, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to Holdings), independent accountants and other experts selected by the Agents. The Agents may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Agents shall be fully justified in failing or refusing to take any action under the applicable Loan Document unless it shall first receive such advice or concurrence of the Required Lenders (or, if so specified by this Agreement, all Lenders or the Majority Facility Lenders in respect of any Facility) as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Agents shall in all cases be fully protected in acting, or in refraining from acting, under the applicable Loan Documents in accordance with a request of the Required Lenders (or, if so specified by this Agreement, all Lenders or the Majority Facility Lenders in respect of any Facility), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans.

9.5 Notice of Default. Neither Agent shall be deemed to have knowledge or notice of the occurrence of any Default or Event of Default unless such Agent has received written notice from a Lender, Holdings or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that an Agent receives such a notice, such Agent shall give notice thereof to the Lenders. The Agents shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders (or, if so specified by this Agreement, all Lenders or the Majority Facility Lenders in respect of any Facility); provided that unless and until such Agent shall have received such directions, such Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

9.6 Non-Reliance on Agents and Other Lenders. Each Lender expressly acknowledges that neither the Agents nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates have made any representations or warranties to it and that no act by any Agent hereafter taken, including any review of the affairs of a Loan Party or any affiliate of a Loan Party, shall be deemed to constitute any representation or warranty by any Agent to any Lender. Each Lender represents to the

Agents that it has, independently and without reliance upon any Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, Property, financial and other condition and creditworthiness of the Loan Parties and their affiliates and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon any Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under the applicable Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, Property, financial and other condition and creditworthiness of the Loan Parties and their affiliates. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Agents hereunder, the Agents shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, Property, condition (financial or otherwise), prospects or creditworthiness of any Loan Party or any affiliate of a Loan Party that may come into the possession of either Agent or any of its officers, directors, employees, agents, attorneys-in-fact or affiliates.

9.7 Indemnification. The Lenders agree to indemnify each Agent and any Issuing Lender in its capacity as such (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), ratably according to their respective Aggregate Exposure Percentages in effect on the date on which indemnification is sought under this Section 9.7 (or, if indemnification is sought after the date upon which the Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with such Aggregate Exposure Percentages immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Loans) be imposed on, incurred by or asserted against such Agent or any Issuing Lender in any way relating to or arising out of, the Commitments, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Agent or any Issuing Lender under or in connection with any of the foregoing; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from such Agent's or any Issuing Lender's gross negligence or willful misconduct. The agreements in this Section 9.7 shall survive the payment of the Loans and all other amounts payable hereunder.

9.8 Agent in Its Individual Capacity. Each Agent and its affiliates may make loans to, accept deposits from and generally engage in any kind of business with any Loan Party as though such Agent were not an Agent. With respect to its Loans made or renewed by it and with respect to any Letter of Credit issued or participated in by it, each Agent shall have the same rights and powers under the applicable Loan Documents as any Lender and may exercise the same as though it were not an Agent, and the terms "Lender" and "Lenders" shall include each Agent in its individual capacity.

9.9 Successor Agents. Any Agent may resign upon 30 days' notice to the Lenders, the Borrower and the other Agent effective upon appointment of a successor Agent. Upon receipt of any such notice of resignation, the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders, which successor agent shall (unless an Event of Default under Section 8.1(a) or Section 8.1(f) with respect to the Borrower shall have occurred and be continuing) be subject to approval by the Borrower (which approval shall not be unreasonably withheld or delayed), whereupon such successor agent shall succeed to the rights, powers and duties of such retiring Agent, and the retiring Agent's rights, powers and duties as Agent shall be terminated, without any other or further act or deed on

the part of such retiring Agent or any of the parties to this Agreement or any holders of the Loans. If no successor Agent shall have been so appointed by the Required Lenders with such consent of the Borrower and shall have accepted such appointment within 30 days after the retiring Agent's giving of notice of resignation, then the retiring Agent may, on behalf of the Lenders and with the consent of the Borrower (such consent not to be unreasonably withheld or delayed), appoint a successor Agent, that shall be a bank that has an office in New York, New York with a combined capital and surplus of at least \$500,000,000. After any retiring Agent's resignation as Agent, the provisions of this Section 9 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement and the other Loan Documents.

9.10 Authorization to Release Liens and Guarantees. The Agents are hereby irrevocably authorized by each of the Lenders to effect any release or subordination of Liens or Guarantee Obligations contemplated by Section 10.15.

9.11 Joint Bookrunners and Co-Manager. None of the Joint Bookrunners or the Co-Manager shall have any duties or responsibilities hereunder in their respective capacities as such.

#### SECTION 10. MISCELLANEOUS

10.1 Amendments and Waivers. (a) Subject to Section 2.25, neither this Agreement, any other Loan Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 10.1. The Required Lenders and each Loan Party party to the relevant Loan Document may, or, with the written consent of the Required Lenders, the Agents and each Loan Party party to the relevant Loan Document may, from time to time, (a) enter into written amendments, supplements or modifications hereto and to the other Loan Documents for the purpose of adding any provisions to this Agreement or the other Loan Documents or changing in any manner the rights or obligations of the Agents, the Swingline Lender, the Issuing Lenders, the Lenders or of the Loan Parties or their Subsidiaries hereunder or thereunder or (b) waive, on such terms and conditions as the Required Lenders or the Agents may specify in such instrument, any of the requirements of this Agreement or the other Loan Documents or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall (i) forgive or reduce the principal amount or extend the final scheduled date of maturity of any Loan, extend the scheduled date or reduce the amount of any amortization payment in respect of any Term Loan, reduce the stated rate of any interest, fee or premium payable hereunder (except (A) in connection with the waiver of applicability of any post-default increase in interest rates (which waiver shall be effective with the consent of the Required Lenders) and (B) that any amendment or modification of defined terms used in the financial ratios in this Agreement shall not constitute a reduction in the rate of interest or fees for purposes of this clause (i)) or extend the scheduled date of any payment thereof, or increase the amount or extend the expiration date of any Lender's Commitment, in each case without the written consent of each Lender directly and adversely affected thereby; (ii) amend, modify or waive any provision of paragraph (a) of this Section 10.1 without the written consent of all Lenders; (iii) reduce any percentage specified in the definition of Required Lenders, consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement and the other Loan Documents, release all or substantially all of the Collateral or release all or substantially all of the Guarantors from their obligations under the Guarantee and Collateral Agreement, in each case without the written consent of all Lenders (other than to the extent permitted by Section 7.4); (iv) amend, modify or waive any provision of paragraph (a) or (c) of Section 2.18 without the written consent of all Lenders adversely affected thereby; (v) amend, modify or waive any provision of paragraph (b) of Section 2.18 without the written consent of the Majority Facility Lenders in respect of each Facility adversely affected thereby; (vi) reduce the percentage specified in the definition of Majority Facility Lenders with respect to any

Facility without the written consent of all Lenders under such Facility; (vii) amend, modify or waive any provision of Section 9 without the written consent of the Agents; (viii) amend, modify or waive any provision of Section 2.6 or 2.7 with respect to Swingline Loans without the written consent of the Swingline Lender; (ix) amend, modify or waive any provision of Section 3 without the written consent of the Issuing Lenders; or (x) amend the definition of "Change of Control" or amend, modify or waive the provisions of Section 8.1(j) without the written consent of Lenders holding more than 66-2/3% of the sum of (x) the aggregate unpaid principal amount of the Term Loans then outstanding and (y) the Revolving Commitments then in effect or, if the Revolving Commitments have been terminated, the Revolving Extensions of Credit then outstanding. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Lenders and shall be binding upon the Loan Parties, the Lenders, the Agents and all future holders of the Loans. In the case of any waiver, the Loan Parties, the Lenders and the Agents shall be restored to their former position and rights hereunder and under the other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing unless limited by the terms of such waiver; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.

(b) Notwithstanding the foregoing, this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Agents, Holdings and the Borrower (a) to add one or more additional credit facilities to this Agreement (it being understood that no Lender shall have any obligation to provide or to commit to provide all or any portion of any such additional credit facility) and to permit the 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 Term Loans and Revolving Extensions of Credit and the accrued interest and fees in respect thereof and (b) to include appropriately, after the effectiveness of any such amendment (or amendment and restatement), the Lenders holding such credit facilities in any determination of the Required Lenders and Majority Facility Lenders, as applicable.

(c) In addition, notwithstanding the foregoing, this Agreement may be amended with the written consent of the Agents, Holdings, the Borrower and the Lenders providing the relevant Replacement Term Loans (as defined below) to permit the refinancing of all outstanding Term Loans of any Tranche ("Refinanced Term Loans") with a replacement term loan tranche hereunder ("Replacement Term Loans"); provided that (a) the aggregate principal amount of such Replacement Term Loans shall not exceed the aggregate principal amount of such Refinanced Term Loans, (b) the Applicable Margin for such Replacement Term Loans shall not be higher than the Applicable Margin for such Refinanced Term Loans, (c) the weighted average life to maturity of such Replacement Term Loans shall not be shorter than the weighted average life to maturity of such Refinanced Term Loans at the time of such refinancing and (d) all other terms applicable to such Replacement Term Loans shall be substantially identical to, or less favorable to the Lenders providing such Replacement Term Loans than, those applicable to such Refinanced Term Loans, except to the extent necessary to provide for covenants and other terms applicable to any period after the latest final maturity of the Term Loans in effect immediately prior to such refinancing.

(d) Furthermore, notwithstanding the foregoing, if following the Closing Date, the Administrative Agent and the Borrower shall have jointly identified an obvious error or any error or omission of a technical or immaterial nature, in each case, in any provision of this Agreement or any other Loan Document, then the Administrative Agent and the Borrower shall be permitted to amend such provision and such amendment shall become effective without any further action or consent of any other party to this Agreement or any other Loan Document if the same is not objected to in writing by the Required Lenders within five Business Days following receipt of notice thereof; it being understood that posting such amendment electronically on IntraLinks/IntraAgency or another relevant website with notice

of such posting by the Administrative Agent to the Required Lenders shall be deemed adequate receipt of notice of such amendment.

10.2 Notices. (a) All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered, or three Business Days after being deposited in the mail, postage prepaid, or, in the case of telecopy notice, when received, addressed as follows in the case of Holdings, the Borrower, the Agents, and as set forth in an administrative questionnaire delivered to the Administrative Agent in the case of the Lenders, or to such other address as may be hereafter notified by the respective parties hereto:

Holdings: Booz Allen Hamilton Inc.  
8283 Greensboro Drive  
McLean VA 22102  
Attention: Sam Strickland  
Telecopy: (703) 902-3011  
Telephone: (703) 902-4700

in each case with a copy to:

The Carlyle Group  
1001 Pennsylvania Avenue, NW  
Washington, DC 20004  
Attention: Ian Fujiyama  
Telecopy: (202) 347-9250  
Telephone: (202) 729-5426

With a copy to: Debevoise & Plimpton LLP  
919 Third Avenue  
New York, NY 10022  
Attention: Pierre Maugué  
Telecopy: (212) 521-7643  
Telephone: (212) 909-6643

The Borrower: Booz Allen Hamilton Inc.  
8283 Greensboro Drive  
McLean VA 22102  
Attention: Sam Strickland  
Telecopy: (703) 902-3011  
Telephone: (703) 902-4700

in each case with a copy to:

The Carlyle Group  
1001 Pennsylvania Avenue, NW  
Washington, DC 20004  
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With a copy to: Debevoise & Plimpton LLP  
919 Third Avenue  
New York, NY 10022  
Attention: Pierre Maugué  
Telecopy: (212) 521-7643  
Telephone: (212) 909-6643

Agents: Credit Suisse AG, Cayman Islands Branch  
One Madison Avenue, New York, NY 10010  
Attention: Agency Manager  
Telecopy: (212) 322-2291  
Email: agency.loanops@credit-suisse.com

provided that any notice, request or demand to or upon the Agents, the Lenders, Holdings or the Borrower shall not be effective until received.

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Section 2 unless otherwise agreed by the Administrative Agent and the applicable Lender. The Agents, Holdings or the Borrower may, in its 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.

10.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of any Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

10.4 Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Loan Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans and other extensions of credit hereunder.

10.5 Payment of Expenses; Indemnification. Except with respect to Taxes which are addressed in Section 2.20, the Borrower agrees (a) to pay or reimburse each Agent for all of its reasonable and documented out-of-pocket costs and expenses incurred in connection with the syndication of the Facilities (other than fees payable to syndicate members) and the development, preparation, execution and delivery of this Agreement and the other Loan Documents and any other documents prepared in connection herewith or therewith and any amendment, supplement or modification thereto, and, as to the Agents only, the administration of the transactions contemplated hereby and thereby, including, without limitation, the reasonable fees and disbursements and other charges of a single firm of counsel to the Agents (plus one firm of special regulatory counsel and one firm of local counsel per material jurisdiction as may reasonably be necessary in connection with collateral matters) in connection with all of the foregoing, (b) to pay or reimburse each Lender and each Agent for all their reasonable and documented out-of-pocket costs and expenses incurred in connection with the enforcement of any rights under this Agreement, the other Loan Documents and any such other documents, including, without limitation, the

documented fees and disbursements of a single firm of counsel and, if necessary, a single firm of special regulatory counsel and a single firm of local counsel per material jurisdiction as may reasonably be necessary, for the Agents and the Lenders, taken as a whole, and (c) to pay, indemnify or reimburse each Lender, each Agent, each Issuing Lender, each Lead Arranger, each Joint Bookrunner, the Co-Manager and their respective affiliates, and their respective officers, directors, employees, trustees, advisors, agents and controlling Persons (each, an "Indemnitee") for, and hold each Indemnitee harmless from and against any and all other liabilities, obligations, losses, damages, penalties, costs, expenses or disbursements arising out of any actions, judgments or suits of any kind or nature whatsoever, arising out of or in connection with any claim, action or proceeding relating to or otherwise with respect to the execution, delivery, enforcement, performance and administration of this Agreement, the other Loan Documents and any such other documents, including, without limitation, any of the foregoing relating to the use of proceeds of the Loans or the violation of, noncompliance with or liability under, any Environmental Law applicable to the operations of the Borrower, any of its Subsidiaries or any of the Properties and the fees and disbursements and other charges of legal counsel in connection with claims, actions or proceedings by any Indemnitee against Holdings or the Borrower hereunder (all the foregoing in this clause (c), collectively, the "Indemnified Liabilities"); provided that, neither Holdings nor the Borrower shall have any obligation hereunder to any Indemnitee with respect to Indemnified Liabilities to the extent such Indemnified Liabilities are found by a court of competent jurisdiction to have resulted from (i) the gross negligence, bad faith or willful misconduct of such Indemnitee or its Related Persons, (ii) a material breach of the Loan Documents by such Indemnitee or its Related Persons or (iii) disputes solely among Indemnitees or their Related Persons (it being understood that this clause (iii) shall not apply to the indemnification of an Agent or Lead Arranger in a suit involving an Agent or Lead Arranger in its capacity as such). For purposes hereof, a "Related Person" of an Indemnitee means (i) if the Indemnitee is any Agent or any of its affiliates or their respective officers, directors, employees, agents and controlling Persons, any of such Agent and its affiliates and their respective officers, directors, employees, agents and controlling Persons, and (ii) if the Indemnitee is any Lender or any of its affiliates or their respective officers, directors, employees, agents and controlling Persons, any of such Lender and its affiliates and their respective officers, directors, employees, agents and controlling Persons. All amounts due under this Section 10.5 shall be payable promptly after receipt of a reasonably detailed invoice therefor. Statements payable by the Borrower pursuant to this Section 10.5 shall be submitted to the Borrower at the address thereof set forth in Section 10.2, or to such other Person or address as may be hereafter designated by the Borrower in a written notice to the Administrative Agent. The agreements in this Section 10.5 shall survive repayment of the Obligations.

**10.6 Successors and Assigns; Participations and Assignments.** (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 Lender that issues any Letter of Credit), except that (i) the Borrower may not 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 the 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 10.6.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may, in compliance with applicable law, assign (other than to any Disqualified Institution or a natural person) to one or more assignees (each, an "Assignee"), all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld or delayed) of:

(A) the Borrower; provided that no consent of the Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund (as defined below), or, if an

Event of Default under Section 8.1(a) or 8.1(f) has occurred and is continuing, any other Person; and

(B) the Administrative Agent; provided that no consent of the Administrative Agent shall be required for an assignment to (x) a Lender, an Affiliate of a Lender or an Approved Fund or (y) Holdings, the Borrower or a Subsidiary of the Borrower in connection with a purchase of Term Loans pursuant to Section 2.11(c); and

(C) in the case of an assignment under the Revolving Facility, each Issuing Lender and the Swingline Lender.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitments or Loans under any Facility, the amount of the Commitments or Loans of the assigning Lender subject to each such assignment (determined as of (I) the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or (II) if earlier, the "trade date" (if any) specified in such Assignment and Assumption) shall not be less than (x) \$5,000,000, in the case of the Revolving Facility or (y) \$1,000,000, in the case of the Tranche A Term Facility or the Tranche B Term Facility, unless the Borrower and the Administrative Agent otherwise consent; provided that (1) no such consent of the Borrower shall be required if an Event of Default under Section 8.1(a) or 8.1(f) has occurred and is continuing and (2) such amounts shall be aggregated in respect of each Lender and its Affiliates or Approved Funds, if any;

(B) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption via an electronic settlement system acceptable to the Administrative Agent and the Borrower (or, at the Borrower's request, manually) together with a processing and recordation fee of \$3,500 (which fee may be waived or reduced in the sole discretion of the Administrative Agent); provided that only one such fee shall be payable in the case of contemporaneous assignments to or by two or more related Approved Funds; and

(C) the Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an administrative questionnaire and all applicable tax forms; provided that the provisions of this clause (ii) shall not apply to an assignment to Holdings or a Subsidiary of the Borrower in connection with a purchase of Term Loans pursuant to Section 2.11(c).

For the purposes of this Section 10.6, "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 and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) (i) an entity or an Affiliate of an entity that administers or manages a Lender or (ii) an entity or an Affiliate of an entity that is the investment advisor to a Lender. Notwithstanding the foregoing, no Lender shall be permitted to make assignments under this Agreement to any Disqualified Institutions.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) below, 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 subject to the obligations under and entitled to the benefits of Sections 2.19, 2.20, 2.21 and 10.5). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 10.6 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 10.6 (and will be required to comply therewith).

(iv) The Administrative Agent, acting for this purpose as an agent of the 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 Commitments of, and principal amount of the Loans and L/C Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). Holdings, the Borrower, the Administrative Agent, the Issuing Lenders, the Swingline Lender and the Lenders may 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 (and the entries in the Register shall be conclusive absent demonstrable error for such purposes), notwithstanding notice to the contrary. The Register shall be available for inspection by Holdings, the Borrower, the Issuing Lenders, the Swingline Lender and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an Assignee, the Assignee's completed administrative questionnaire (unless the Assignee shall already be a Lender hereunder) and all applicable tax forms, the processing and recordation fee referred to in paragraph (b) of this Section 10.6 and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and promptly record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) (i) Any Lender may, without the consent of the Borrower or the Administrative Agent, in compliance with applicable law, sell participations (other than to any Disqualified Institution) to one or more banks or other entities (a "Participant"), in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitments 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 and (C) the Borrower, the Administrative Agent, the Issuing Lenders, the Swingline Lender 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. Any agreement 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 may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver that (1) requires the consent of each Lender directly and adversely affected thereby pursuant to the proviso to the second sentence of Section 10.1 and (2) directly affects such Participant. Subject to paragraph (c)(ii) of this Section 10.6, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.19, 2.20 and 2.21 (if such Participant agrees to have related obligations thereunder) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section 10.6. Notwithstanding the foregoing, no Lender shall be permitted to sell participations under this Agreement to any Disqualified Institutions.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.19 or 2.20 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent to such greater amounts. No Participant shall be entitled to the benefits of Section 2.20 unless such Participant complies with Section 2.20(d) or (e), as (and to the extent) applicable, as if such Participant were a Lender.

(d) Any Lender may, without the consent of or notice to the Administrative Agent or the Borrower, 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 any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section 10.6 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.

(e) The Borrower, upon receipt of written notice from the relevant Lender, agrees to issue Notes to any Lender requiring the same (in the case of an assignment, following surrender by the assigning Lender of all Notes representing its assigned interests).

(f) The Borrower may prohibit any assignment if it would require the Borrower to make any filing with any Governmental Authority or qualify any Loan or Note under the laws of any jurisdiction and the Borrower shall be entitled to request and receive such information and assurances as it may reasonably request from any Lender or any Assignee to determine whether any such filing or qualification is required or whether any assignment is otherwise in accordance with applicable law.

(g) Notwithstanding anything to the contrary contained herein, other than pursuant to Section 2.11(c), none of Holdings, the Borrower or any of its Subsidiaries may acquire by assignment, participation or otherwise any right to or interest in any of the Commitments or Loans hereunder (and any such attempted acquisition shall be null and void).

10.7 Adjustments; Set-off. (a) Except to the extent that this Agreement provides for payments to be allocated to a particular Lender or to the Lenders under a particular Facility, if any Lender (a "Benefited Lender") shall at any time receive any payment of all or part of the Obligations owing to it, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by setoff, pursuant to events or proceedings of the nature referred to in Section 8.1(f), or otherwise) in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of such other Lender's Obligations, such Benefited Lender shall purchase for cash from the other Lenders a participating interest in such portion of each such other Lender's Obligations, or shall provide such other Lenders with the benefits of any such collateral, as shall be necessary to cause such Benefited Lender to share the excess payment or benefits of such collateral ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefited Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) In addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without prior notice to the Borrower, any such notice being expressly waived by the Borrower to the extent permitted by applicable law, upon any amount becoming due and payable by the Borrower hereunder (whether at the stated maturity, by acceleration or otherwise) after the expiration of any cure or grace periods, to set off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final but excluding trust accounts), in any currency,

and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any affiliate, branch or agency thereof to or for the credit or the account of the Borrower. Each Lender agrees promptly to notify the Borrower and the Administrative Agent after any such setoff and application made by such Lender; provided that the failure to give such notice shall not affect the validity of such setoff and application.

10.8 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement by facsimile or electronic (i.e., "pdf") transmission shall be effective as delivery of a manually executed counterpart hereof. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

10.9 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10.10 Integration. This Agreement and the other Loan Documents represent the entire agreement of Holdings, the Borrower, the Agents and the Lenders with respect to the subject matter hereof and thereof.

10.11 **GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS TO THE EXTENT THAT THE SAME ARE NOT MANDATORILY APPLICABLE BY STATUTE AND THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.**

10.12 Submission to Jurisdiction; Waivers. Each of Holdings and the Borrower hereby irrevocably and unconditionally:

(a) submits for itself and its Property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to it at its address set forth in Section 10.2 or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 10.12 any special, exemplary, punitive or consequential damages.

10.13 Acknowledgments. Each of Holdings and the Borrower hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents;

(b) neither the Agents nor any Lender has any fiduciary relationship with or duty to either of Holdings or the Borrower arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Agents and Lenders, on one hand, and Holdings and the Borrower, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among Holdings, the Borrower and the Lenders.

10.14 Confidentiality. The Agents and the Lenders agree to treat any and all information, regardless of the medium or form of communication, that is disclosed, provided or furnished, directly or indirectly, by or on behalf of Holdings or any of its affiliates in connection with this Agreement or the transactions contemplated hereby whether furnished before or after the Closing Date ("Confidential Information"), strictly confidential and not to use Confidential Information for any purpose other than evaluating the Merger Transactions and negotiating, making available, syndicating and administering this Agreement (the "Agreed Purposes"). Without limiting the foregoing, each Agent and each Lender agrees to treat any and all Confidential Information with adequate means to preserve its confidentiality, and each Agent and each Lender agrees not to disclose Confidential Information, at any time, in any manner whatsoever, directly or indirectly, to any other Person whomsoever, except (1) to its directors, officers, employees, counsel, advisors, trustees, affiliates and other representatives (collectively, the "Representatives"), to the extent necessary to permit such Representatives to assist in connection with the Agreed Purposes (it being understood that the Representatives to whom such disclosure is made will be informed of the confidential nature of such Confidential Information and instructed to keep such Confidential Information confidential), (2) to any pledgee referred to in Section 10.6(d) and prospective Lenders and participants in connection with the syndication (including secondary trading) of the Facilities and Commitments and Loans hereunder, in each case who are informed of the confidential nature of the information and agree to observe and be bound by standard confidentiality terms, (3) upon the request or demand of any Governmental Authority having or purporting to have jurisdiction over it, (4) in response to any order of any Governmental Authority or as may otherwise be required pursuant to any Requirement of Law, (5) to the extent reasonably required or necessary, in connection with any litigation or similar proceeding relating to the Facilities, (6) that has been publicly disclosed other than in breach of this Section 10.14, (7) to the National Association of Insurance Commissioners or any similar organization or any nationally recognized rating agency that requires access to information about a Lender's investment portfolio in connection with ratings issued with respect to such Lender or in connection with examinations or audits of such Lender or (8) to the extent reasonably required or necessary, in connection with the exercise of any remedy under the Loan Documents. Each Agent and

each Lender acknowledges that (i) Confidential Information includes information that is not otherwise publicly available and that such non-public information may constitute confidential business information which is proprietary to the Borrower and (ii) the Borrower has advised the Agents and the Lenders that it is relying on the Confidential Information for its success and would not disclose the Confidential Information to the Agents and the Lenders without the confidentiality provisions of this Agreement. All information, including requests for waivers and amendments, furnished by the Borrower 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 Borrower and its Affiliates and their related parties or their respective securities. Accordingly, each Lender represents to the Borrower 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, including Federal and state securities laws.

10.15 Release of Collateral and Guarantee Obligations; Subordination of Liens. (a) Notwithstanding anything to the contrary contained herein or in any other Loan Document, upon request of the Borrower in connection with any Disposition of Property permitted by the Loan Documents, the Collateral Agent shall (without notice to, or vote or consent of, any Lender, or any affiliate of any Lender that is a party to any Specified Hedge Agreement or Cash Management Obligations or contingent or indemnification obligations not then due) take such actions as shall be required to release its security interest in any Collateral being Disposed of in such Disposition, and to release any Guarantee Obligations under any Loan Document of any Person being Disposed of in such Disposition, to the extent necessary to permit consummation of such Disposition in accordance with the Loan Documents. Any representation, warranty or covenant contained in any Loan Document relating to any such Property so Disposed of (other than Property Disposed of to the Borrower or any of its Restricted Subsidiaries) shall no longer be deemed to be repeated once such Property is so Disposed of.

(b) Notwithstanding anything to the contrary contained herein or any other Loan Document, when all Obligations (other than (x) obligations in respect of any Specified Hedge Agreement or Cash Management Obligations and (y) any contingent or indemnification obligations not then due) have been paid in full, all Commitments have terminated or expired and no Letter of Credit shall be outstanding that is not cash collateralized or backstopped, upon request of Holdings or the Borrower, the Collateral Agent shall (without notice to, or vote or consent of, any Lender, or any affiliate of any Lender that is a party to any Specified Hedge Agreement or documentation in respect of Cash Management Obligations) take such actions as shall be required to release its security interest in all Collateral, and to release all Guarantee Obligations under any Loan Document, whether or not on the date of such release there may be outstanding Obligations in respect of Specified Hedge Agreements or Cash Management Obligations or contingent or indemnification obligations not then due. Any such release of Guarantee Obligations shall be deemed subject to the provision that such Guarantee Obligations shall be reinstated if after such release any portion of any payment in respect of the Obligations guaranteed thereby shall be rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower or any Guarantor or any substantial part of its Property, or otherwise, all as though such payment had not been made.

(c) Notwithstanding anything to the contrary contained herein or in any other Loan Document, upon request of Holdings or the Borrower in connection with any Liens permitted by the Loan Documents, the Collateral Agent shall (without notice to, or vote or consent of, any Lender) take such actions as shall be required to subordinate the Lien on any Collateral to any Lien permitted under Section 7.3.

10.16 Accounting Changes. In the event that any Accounting Change (as defined below) shall occur and such change results in a change in the method of calculation of financial ratios, standards or terms in this Agreement, then the Borrower and the Administrative Agent agree to enter into negotiations in order to amend such provisions of this Agreement so as to equitably reflect such Accounting Changes with the desired result that the criteria for evaluating the Borrower's financial condition shall be the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as such an amendment shall have been executed and delivered by the Borrower, the Administrative Agent and the Required Lenders, all financial ratios, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Changes had not occurred. "Accounting Changes" refers to changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or, if applicable, the SEC.

10.17 WAIVERS OF JURY TRIAL. EACH OF HOLDINGS, THE BORROWER, THE AGENTS AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

10.18 USA PATRIOT ACT. Each Lender hereby notifies the Loan Parties that pursuant to the requirements of the USA Patriot Act (Title III of Publ. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies the Loan Parties, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Loan Parties in accordance with the Act.

10.19 Effect of Certain Inaccuracies. In the event that any financial statement delivered pursuant to Section 6.1(a) or (b) or any Compliance Certificate delivered pursuant to Section 6.2(b) is inaccurate, and such inaccuracy, if corrected, would have led to the application of a higher Applicable Margin or Applicable Commitment Fee Rate for any period (an "Applicable Period") than the Applicable Margin or Applicable Commitment Fee Rate for such Applicable Period, then (i) promptly following the correction of such financial statement by the Borrower, the Borrower shall deliver to the Administrative Agent a corrected financial statement and a corrected Compliance Certificate for such Applicable Period, (ii) the Applicable Margin and Applicable Commitment Fee Rate for the twelve month period preceding the delivery of such corrected financial statement and Compliance Certificate shall be determined based on the corrected Compliance Certificate for such Applicable Period and (iii) the Borrower shall promptly pay to the Administrative Agent the accrued additional interest or commitment fees owing as a result of such increased Applicable Margin or Applicable Commitment Fee Rate for such twelve month period. This Section 10.19 shall not limit the rights of the Administrative Agent or the Lenders hereunder, including under Section 8.1.



Commitments

<u>Lender</u>	<u>Existing Revolving Commitment</u>	<u>Additional Revolving Commitment</u>	<u>Revolving Commitment</u>	<u>Tranche C Term Commitment</u>
Credit Suisse AG, Cayman Islands Branch	\$ 21,250,000	\$ 25,250,000	\$ 46,500,000	\$350,000,000
Barclays Bank PLC	—	26,500,000	26,500,000	—
Goldman Sachs Credit Partners L.P.	—	26,500,000	26,500,000	—
Morgan Stanley Bank, N.A.	—	26,500,000	26,500,000	—
Bank of America, N.A.	21,250,000	25,250,000	46,500,000	—
Sumitomo Mitsui Banking Corporation	21,250,000	15,000,000	36,250,000	—
CIT Bank	15,000,000	—	15,000,000	—
Lehman Brothers Inc/ Woodlands Commercial Bank	21,250,000	—	21,250,000	—
<b>Total</b>	<b>\$100,000,000</b>	<b>\$145,000,000</b>	<b>\$245,000,000</b>	<b>\$350,000,000</b>





Existence; Compliance with Law

Booz Allen Transportation Inc. is not in good standing due to overdue New York State corporate franchise tax payments relating to its July 31, 2008 return.

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FORM OF  
TRANCHE C TERM LOAN NOTE

THIS NOTE AND THE OBLIGATIONS REPRESENTED HEREBY MAY NOT BE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE TERMS AND PROVISIONS OF THE CREDIT AGREEMENT REFERRED TO BELOW. TRANSFERS OF THIS NOTE AND THE OBLIGATIONS REPRESENTED HEREBY MUST BE RECORDED IN THE REGISTER MAINTAINED BY THE ADMINISTRATIVE AGENT PURSUANT TO THE TERMS OF SUCH CREDIT AGREEMENT.

\$ \_\_\_\_\_

New York, New York

\_\_\_\_\_, 20\_\_

FOR VALUE RECEIVED, the undersigned, Booz Allen Hamilton Inc., a Delaware corporation ("Booz Allen"), and, together with any assignee of, or successor by merger to, Booz Allen Hamilton Inc.'s rights and obligations under the Credit Agreement (as hereinafter defined) as provided therein, the "Borrower", hereby unconditionally promises to pay to \_\_\_\_\_ (the "Lender") or its registered assigns at the Funding Office specified in the Credit Agreement in Dollars and in immediately available funds, the principal amount of (a) \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_), or, if less, (b) the aggregate unpaid principal amount of all Tranche C Term Loans owing to the Lender under the Credit Agreement. The principal amount shall be paid in the amounts and on the dates specified in Section 2.3 of the Credit Agreement. The Borrower further agrees to pay interest in like money at such office on the unpaid principal amount hereof from time to time outstanding at the rates and on the dates specified in the Credit Agreement.

This Note (a) is one of the Notes issued pursuant to the Credit Agreement, dated as of July 31, 2008 and amended and restated as of December 11, 2009 (as further amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Booz Allen Hamilton Investor Corporation (f/k/a Explorer Investor Corporation), a Delaware corporation, the Borrower, the several banks and other financial institutions or entities from time to time parties thereto, Credit Suisse AG, Cayman Islands Branch, as administrative agent (in such capacity, the "Administrative Agent") and Collateral Agent, Credit Suisse AG, Cayman Islands Branch, as Issuing Lender, Banc of America Securities LLC and Credit Suisse Securities (USA) LLC, as Joint Lead Arrangers, Banc of America Securities LLC, Credit Suisse Securities (USA) LLC, Morgan Stanley Senior Funding, Inc., Goldman Sachs Credit Partners L.P., Barclays Capital, as Joint Bookrunners, and Sumitomo Mitsui Banking Corporation, as Co-Manager, (b) is subject to the provisions of the Credit Agreement, which are hereby incorporated by reference, (c) is subject to optional and mandatory prepayment in whole or in part as provided in the Credit Agreement and (d) is secured and guaranteed as provided in the Loan Documents. Reference is hereby made to the Credit Agreement for a statement of all the terms and conditions under which the Tranche C Term Loans evidenced hereby are made and are to be repaid. In the event of any conflict or inconsistency between the terms of this Note and the terms of the Credit Agreement, to the fullest extent permitted by applicable law, the terms of the Credit Agreement shall govern and be controlling.

Upon the occurrence of any one or more Events of Default, all principal and all accrued interest then remaining unpaid on this Note shall become, or may be declared to be, immediately due and payable, all as and to the extent provided in the Credit Agreement. No failure in exercising any rights

hereunder or under the other Loan Documents on the part of the Lender shall operate as a waiver of such rights.

All parties now and hereafter liable with respect to this Note, whether maker, principal, surety, guarantor, indorser or otherwise, hereby expressly waive, to the fullest extent permitted by applicable law, presentment, demand, protest and all other similar notices or similar requirements.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

**NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN OR IN THE CREDIT AGREEMENT, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT PURSUANT TO AND IN ACCORDANCE WITH THE REGISTRATION AND OTHER PROVISIONS OF SECTION 10.6 OF THE CREDIT AGREEMENT.**

FOR PURPOSES OF SECTIONS 1272, 1273 AND 1275 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND THE RULES AND REGULATIONS THEREUNDER, THIS NOTE IS BEING ISSUED WITH ORIGINAL ISSUE DISCOUNT. THE ISSUE PRICE, AMOUNT OF THE ORIGINAL ISSUE DISCOUNT, ISSUE DATE AND YIELD TO MATURITY OF THE NOTE CAN BE OBTAINED BY WRITTEN REQUEST BOOZ ALLEN HAMILTON INC., CHIEF FINANCIAL OFFICER, AT 8283 GREENSBORO DRIVE, McLEAN, VA 22102.

*[Remainder of page intentionally left blank]*

THIS NOTE AND THE RIGHTS AND OBLIGATIONS OF THE BORROWER AND THE LENDER HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

BOOZ ALLEN HAMILTON INC.

By: \_\_\_\_\_

Name:

Title:

J-4-3

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FORM OF ACKNOWLEDGMENT AND CONFIRMATION

1. Reference is made to Amendment No. 1 to the Existing Credit Agreement, dated as of December 8, 2009 (the "Amendment"), by and among the Borrower, the Administrative Agent and the Lenders from time to time party thereto.

2. The Existing Credit Agreement is being amended pursuant to the Amendment. Each of the undersigned is a Guarantor of the Borrower Obligations of the Borrower pursuant to the Guarantee and Collateral Agreement and hereby:

(a) acknowledges its receipt of the foregoing Amendment and its review of the terms and conditions thereof and consents to the foregoing Amendment, and the amendment and restatement of the Existing Credit Agreement pursuant thereto;

(b) acknowledges that the Tranche C Term Loans and any Revolving Loans and Reimbursement Obligations in respect of Additional Revolving Commitments constitute Borrower Obligations;

(c) acknowledges that, notwithstanding the execution and delivery of the foregoing Amendment and the amendment and restatement of the Existing Credit Agreement pursuant thereto, (i) the Guarantee and Collateral Agreement shall continue to be in full force and effect, (ii) the Guarantor Obligations of such Guarantor are not impaired or affected and (iii) all guarantees made by such Guarantor pursuant to the Guarantee and Collateral Agreement and all Liens granted by such Guarantor as security for the Guarantor Obligations of such Guarantor pursuant to the Guarantee and Collateral Agreement continue in full force and effect and benefit the Borrower Obligations described in clause (b) above; and

(d) confirms and ratifies its obligations under each of the Loan Documents executed by it.

3. Capitalized terms used herein without definition shall have the meanings given to such terms in the Amendment to which this Acknowledgment and Confirmation is attached or in the Amended and Restated Credit Agreement referred to therein or in the Guarantee and Collateral Agreement, as applicable.

4. THIS ACKNOWLEDGMENT AND CONFIRMATION SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS TO THE EXTENT THAT THE SAME ARE NOT MANDATORILY APPLICABLE BY STATUTE AND THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

5. This Acknowledgment and Confirmation may be executed by one or more of the parties to this Acknowledgment and Confirmation on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Acknowledgment and Confirmation by facsimile or electronic (i.e. "pdf") transmission shall be effective as delivery of a manually executed counterpart hereof.

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[rest of page intentionally left blank]



IN WITNESS WHEREOF, the parties hereto have caused this Acknowledgment and Confirmation to be duly executed and delivered as of the day and year first above written.

BOOZ ALLEN HAMILTON INVESTOR CORPORATION

By: \_\_\_\_\_  
Name:  
Title:

ASE, INC.

By: \_\_\_\_\_  
Name:  
Title:

AESTIX, INC.

By: \_\_\_\_\_  
Name:  
Title:

BOOZ ALLEN TRANSPORTATION, INC.

By: \_\_\_\_\_  
Name:  
Title:

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\$550,000,000

MEZZANINE CREDIT AGREEMENT

among

EXPLORER INVESTOR CORPORATION,  
EXPLORER MERGER SUB CORPORATION,  
as the Initial Borrower,

BOOZ ALLEN HAMILTON INC.,  
as the Surviving Borrower,

The Several Lenders from Time to Time Parties Hereto,

CREDIT SUISSE,  
as Administrative Agent,

and

CREDIT SUISSE SECURITIES (USA) LLC,  
BANC OF AMERICA SECURITIES LLC,

and

LEHMAN BROTHERS INC.,  
as Joint Lead Arrangers and Joint Bookrunners

Dated as of July 31, 2008

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G	Form of Solvency Certificate
H	Form of Note



MEZZANINE CREDIT AGREEMENT, dated as of July 31, 2008, among EXPLORER INVESTOR CORPORATION, a Delaware corporation (“Holdings”), EXPLORER MERGER SUB CORPORATION, a Delaware corporation (the “Initial Borrower”), BOOZ ALLEN HAMILTON INC., a Delaware corporation into which the Initial Borrower shall be merged (the “Company” or the “Surviving Borrower”), the several banks and other financial institutions or entities from time to time parties to this Agreement (the “Lenders”), CREDIT SUISSE, as Administrative Agent, and CREDIT SUISSE SECURITIES (USA) LLC, BANC OF AMERICA SECURITIES LLC and LEHMAN BROTHERS INC., as joint lead arrangers and joint bookrunners.

The parties hereto hereby agree as follows:

#### SECTION 1. DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the terms listed in this Section 1.1 shall have the respective meanings set forth in this Section 1.1.

“Accounting Changes”: as defined in Section 9.16.

“Acquisition”: as defined in the definition of “Permitted Acquisition”.

“Act”: as defined in Section 9.18.

“Adjusted Actual Payment”: as defined in Section 2.7.

“Adjusted Treasury Rate”: with respect to a Specified Prepayment Date, the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated “H.15(519)” or any successor publication which is published weekly by the Board and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption “Treasury Constant Maturities”, for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after the First Call Date, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Adjusted Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month), calculated on the third Business Day immediately preceding the Specified Prepayment Date, plus 0.50%.

“Administrative Agent”: Credit Suisse, as the administrative agent for the Lenders under this Agreement and the other Loan Documents, together with any of its successors and permitted assigns in such capacity in accordance with Section 8.9.

“Affiliate”: as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, “control” of a Person means the power, directly or indirectly to direct or cause the direction of the management and policies of such Person, in either case whether by contract or otherwise.

“Agents”: the collective reference to the Administrative Agent and, for purposes of Sections 9.13 and 9.14, the Lead Arrangers.

“Aggregate Exposure”: with respect to any Lender at any time, an amount equal to (a) until the Closing Date, the aggregate amount of such Lender’s Commitments at such time and (b) thereafter, the aggregate then unpaid principal amount of such Lender’s Loans.

“Aggregate Exposure Percentage”: with respect to any Lender at any time, the ratio (expressed as a percentage) of such Lender’s Aggregate Exposure at such time to the total Aggregate Exposures of all Lenders at such time.

“Aggregate Inclusion”: as defined in Section 2.7.

“Agreed Purposes”: as defined in Section 9.14.

“Agreement”: this Mezzanine Credit Agreement, as amended, restated, amended and restated, supplemented or otherwise modified from time to time.

“AHYDO Payments”: “applicable high yield discount obligations” (within the meaning of Section 163(i)(1) of the Code) “catch-up” payments in respect of any Indebtedness (including any Permitted Subordinated Indebtedness and any Indebtedness incurred pursuant to Section 6.2(v)) the incurrence of which is not otherwise prohibited hereunder to the extent such Indebtedness provides for the payment of interest on all or any portion of the principal amount of such Indebtedness by adding such interest to the principal amount thereof.

“Annual Operating Budget”: as defined in Section 5.2(c).

“Applicable Make-Whole Premium”: with respect to any Loan to be prepaid on any Specified Prepayment Date, the greater of (a) 2.0% of the principal amount of such Loan and (b) the excess of (i) the present value at such Specified Prepayment Date of (x) 102% of the principal amount of such Loan plus (y) all required remaining scheduled interest payments due on such Loans through the First Call Date (but excluding accrued and unpaid interest payments due on such Loans through the Specified Prepayment Date), computed using a discount rate equal to the Adjusted Treasury Rate; over (ii) the principal amount of the Loan to be prepaid.

“Approved Fund”: as defined in Section 9.6(b).

“Asset Sale”: any Disposition of Property or series of related Dispositions of Property by the Borrower or any of its Restricted Subsidiaries not in the ordinary course of business (a) under Section 6.5(e) or (p) or (b) not otherwise permitted under Section 6.5, in each case, which yields Net Cash Proceeds (valued at the initial principal amount thereof in the case of non-cash proceeds consisting of notes or other debt securities and valued at fair market value in the case of other non-cash proceeds) in excess of \$1,000,000.

“Assignee”: as defined in Section 9.6(b).

“Assignment and Assumption”: an Assignment and Assumption, substantially in the form of Exhibit D.

“Available Amount”: as at any date, the sum of, without duplication:

(a) \$10,000,000;

(b) the aggregate cumulative amount, not less than zero, of 50% of Excess Cash Flow for each fiscal year beginning with the fiscal year ending March 31, 2010;

(c) the Net Cash Proceeds received after the Closing Date and on or prior to such date from any Equity Issuance by, or capital contribution to, Holdings or the Borrower (which in the

case of any such Equity Issuance by the Borrower, is not Disqualified Capital Stock) which, in the case of any such Equity Issuance by, or capital contribution to, Holdings, have been contributed in cash as common equity to the Borrower, in each case to the extent it is not a Specified Equity Contribution;

(d) the aggregate amount of proceeds received after the Closing Date and on or prior to such date that (i) would have constituted Net Cash Proceeds pursuant to clause (a) of the definition of "Net Cash Proceeds" except for the operation of any of (A) the Dollar threshold set forth in the definition of "Asset Sale" and (B) the Dollar threshold set forth in the definition of "Recovery Event" or (ii) constitutes Declined Proceeds under, and as defined in, the Senior Secured Loan Agreement (as in effect on the Closing Date);

(e) the aggregate principal amount of any Indebtedness of the Borrower or any Restricted Subsidiary issued after the Closing Date (other than Indebtedness issued to a Restricted Subsidiary), which has been converted into or exchanged for Capital Stock in Holdings or any Parent Company;

(f) the amount received by the Borrower or any Restricted Subsidiary in cash (and the fair market value (as determined in good faith by the Borrower) of Property other than cash received by the Borrower or any Restricted Subsidiary) after the Closing Date from any dividend or other distribution by an Unrestricted Subsidiary;

(g) in the event any Unrestricted Subsidiary has been redesignated as a Restricted Subsidiary and becomes a Subsidiary Guarantor or has been merged, consolidated or amalgamated with or into, or transfers or conveys its assets to, or is liquidated into, the Borrower or any Subsidiary Guarantor, the fair market value (as determined in good faith by the Borrower) of the Investments of the Borrower or any Restricted Subsidiary in such Unrestricted Subsidiary at the time of such redesignation, combination or transfer (or of the assets transferred or conveyed, as applicable);

(h) an amount equal to any returns (including dividends, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) actually received in cash, Cash Equivalents and Permitted Liquid Investments by the Borrower or any Restricted Subsidiary in respect of any Investments made pursuant to Section 6.7(f)(ii)(B), (h)(B), or (v)(ii); and

(i) the aggregate amount actually received in cash, Cash Equivalents or Permitted Liquid Investments by the Borrower or any Restricted Subsidiary in connection with the sale, transfer or other disposition of its ownership interest in any joint venture that is not a Subsidiary or in any Unrestricted Subsidiary, in each case, to the extent of the Investment in such joint venture or Unrestricted Subsidiary;

in each case, that has not been previously applied pursuant to Section 6.6(b), Section 6.7(f)(ii), (h)(B) or (v)(ii) or Sections 6.8(a)(ii)(A) and 6.8(a)(ii)(B).

"Benefited Lender": as defined in Section 9.7(a).

"Board": the Board of Governors of the Federal Reserve System of the United States (or any successor).

"Board of Directors": (a) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board; (b) with respect to a

partnership, the Board of Directors of the general partner of the partnership, or any committee thereof duly authorized to act on behalf of such board or the board or committee of any Person serving a similar function; (c) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof or any Person or Persons serving a similar function; and (d) with respect to any other Person, the board or committee of such Person serving a similar function.

“**Borrower**”: (a) at any time prior to the consummation of the Merger Transactions, the Initial Borrower and (b) upon and at any time after the consummation of the Merger Transactions, the Surviving Borrower.

“**Business**”: the business activities and operations of the Company and/or its Affiliates on the Closing Date immediately after giving effect to the transactions contemplated by the Spin Off Agreement.

“**Business Day**”: a day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to close.

“**Capital Expenditures**”: for any period, with respect to any Person, the aggregate of all cash expenditures by such Person for the acquisition or leasing (pursuant to a capital lease but excluding any amount representing capitalized interest) of fixed or capital assets, computer software or additions to equipment (including replacements, capitalized repairs and improvements during such period) which are required to be capitalized under GAAP on a balance sheet of such Person; provided that in any event the term “Capital Expenditures” shall exclude: (i) any Permitted Acquisition and any other Investment permitted hereunder; (ii) any expenditures to the extent financed with any Reinvestment Deferred Amount under, and as defined in, the Senior Secured Loan Agreement (as in effect on the Closing Date); (iii) expenditures for leasehold improvements for which such Person is reimbursed in cash or receives a credit; and (iv) capital expenditures to the extent they are made with the proceeds of equity contributions (other than in respect of Disqualified Capital Stock) made to the Borrower after the Closing Date.

“**Capital Lease Obligations**”: as to any Person, 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 for purposes of this definition, “GAAP” shall mean generally accepted accounting principles in the United States as in effect on the date hereof.

“**Capital Stock**”: any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, and any and all equivalent ownership interests in a Person (other than a corporation).

“**Carlyle Fund**”: Carlyle Partners US V, L.P. or any of its Affiliates that is a Person engaged primarily in the business of, and derives substantially all of its revenues from, making control-oriented investments through the direct or indirect acquisition of equity securities of operating companies.

“**Cash Equivalents**”: (a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within eighteen months from the date of acquisition thereof;

(b) investments in commercial paper maturing within 270 days from the date of issuance thereof and having, at such date of acquisition, the highest credit rating obtainable from S&P or from Moody's;

(c) investments in certificates of deposit, banker's acceptances and time deposits maturing within one year from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, the Administrative Agent or any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof that has a combined capital and surplus and undivided profits of not less than \$500,000,000 and that issues (or the parent of which issues) commercial paper rated at least "Prime-1" (or the then equivalent grade) by Moody's or "A-1" (or the then equivalent grade) by S&P;

(d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria of clause (c) above;

(e) investments in "money market funds" within the meaning of Rule 2a-7 of the Investment Company Act of 1940, as amended, substantially all of whose assets are invested in investments of the type described in clauses (a) through (d) above; and

(f) other short-term investments utilized by Foreign Subsidiaries in accordance with normal investment practices for cash management in investments of a type analogous to the foregoing.

"Change in Law": (a) the adoption of any law, rule or regulation, or (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority.

"Change of Control": the occurrence of any of the following: (a) Holdings shall cease to own, directly or indirectly, 100% of the Capital Stock of the Borrower, (b) at any time before Holdings' or any Parent Company's Capital Stock is traded on a nationally-recognized stock exchange, the Permitted Investors shall cease to own, directly or indirectly, at least 51% of the Capital Stock of Holdings or (c) at any time after Holdings' or any Parent Company's Capital Stock is traded on a nationally-recognized stock exchange and for any reason whatsoever, (i) a majority of the Board of Directors of Holdings shall not be Continuing Directors or (ii) the Permitted Investors shall cease to own, directly or indirectly, at least 35% of the Capital Stock of Holdings and any other "person" or "group" (within the meaning of Rule 13d-5 of the Securities Exchange Act of 1934 as in effect on the date hereof) shall own a greater amount (it being understood that if any such person or group includes one or more Permitted Investors, the shares of Capital Stock of Holdings directly or indirectly owned by the Permitted Investors that are part of such person or group shall not be treated as being owned by such person or group for purposes of determining whether this clause (ii) is triggered).

"Change of Control Offer": as defined in Section 2.6(b).

"Closing Date": the date on which the conditions precedent set forth in Section 4.1 shall have been satisfied or waived and the Loans hereunder shall have been funded, which date is July 31, 2008.

"Closing Date Material Adverse Effect": a "Company Material Adverse Effect" as defined in the Merger Agreement.

"Code": the Internal Revenue Code of 1986, as amended from time to time.

“Commitment”: as to any Lender, the obligation of such Lender, if any, to make a Loan to the Borrower in a stated principal amount not to exceed the amount set forth under the heading “Commitment” opposite such Lender’s name on Schedule 2.1, or in the Assignment and Assumption pursuant to which such Lender became a party hereto. The original aggregate stated amount of the Commitments is \$550,000,000.

“Commonly Controlled Entity”: an entity, whether or not incorporated, that is under common control with Holdings within the meaning of Section 4001 of ERISA or is part of a group that includes Holdings and that is treated as a single employer under Section 414(b), (c), (m) or (o) of the Code.

“Commonly Controlled Plan”: as defined in Section 3.12(b).

“Company”: as defined in the preamble hereto.

“Company Reorganization”: the series of transactions described in the “Project Explorer Summarized Transaction Steps”, dated May 12, 2008, attached as Exhibit D to the Spin-Off Agreement dated as of May 15, 2008 among the Company, Booz & Company Holdings, LLC, Booz & Company Inc., Booz & Company Intermediate I Inc. and Booz & Company Intermediate II Inc., as amended, supplemented or otherwise modified from time to time, provided that any such amendments, supplements or modifications that are, when taken as a whole, materially adverse to the Lenders, shall be reasonably acceptable to the Administrative Agent.

“Comparable Treasury Issue” shall mean the United States Treasury security reasonably selected by the Administrative Agent as having a maturity comparable to the remaining term of the Loans from the applicable Specified Prepayment Date to the First Call Date, that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a maturity most nearly equal to the First Call Date.

“Compliance Certificate”: a certificate duly executed by a Responsible Officer substantially in the form of Exhibit B.

“Confidential Information”: as defined in Section 9.14.

“Consolidated Current Assets”: at any date, all amounts (other than (a) cash, Cash Equivalents and Permitted Liquid Investments, (b) deferred financing fees and (c) payments for deferred taxes so long as such items described in clauses (b) and (c) are not cash items) that would, in conformity with GAAP, be set forth opposite the caption “total current assets” (or any like caption) on a consolidated balance sheet of the Borrower and its Restricted Subsidiaries at such date.

“Consolidated Current Liabilities”: at any date, all amounts that would, in conformity with GAAP, be set forth opposite the caption “total current liabilities” (or any like caption) on a consolidated balance sheet of the Borrower and its Restricted Subsidiaries at such date, but excluding (a) the current portion of any Indebtedness of the Borrower and its Restricted Subsidiaries, (b) without duplication, all Indebtedness consisting of Revolving Loans, L/C Obligations or Swingline Loans, in each case, under, and as defined in, the Senior Secured Loan Agreement, to the extent otherwise included therein, (c) amounts for deferred taxes and non-cash tax reserves accounted for pursuant to FASB Interpretation No. 48 and (d) any equity compensation related liability.

“Consolidated EBITDA”: of any Person for any period, Consolidated Net Income of such Person and its Restricted Subsidiaries for such period plus, without duplication and, if applicable, to

the extent reflected as a charge in the statement of such Consolidated Net Income (regardless of classification) for such period, the sum of:

- (a) provisions for taxes based on income (or similar taxes in lieu of income taxes), profits, capital (or equivalents), including federal, foreign, state, local, franchise, excise and similar taxes and foreign withholding taxes of such Person paid or accrued during such period;
- (b) Consolidated Net Interest Expense and, to the extent not reflected in such Consolidated Net Interest Expense, any net losses on hedging obligations or other derivative instruments entered into for the purpose of hedging interest rate risk, amortization or write-off of debt discount and debt issuance costs and commissions, discounts and other fees and charges associated with Indebtedness (including commitment, letter of credit and administrative fees and charges with respect to the Senior Secured Loan Facilities and administrative fees and charges with respect to the Facility);
- (c) depreciation and amortization expense and impairment charges (including deferred financing fees, capitalized software expenditures, intangibles (including goodwill), organization costs and amortization of unrecognized prior service costs and actuarial gains and losses related to pensions and other post-employment benefits);
- (d) any extraordinary, unusual or non-recurring expenses or losses (including losses on sales of assets outside of the ordinary course of business and restructuring and integration costs or reserves, including any severance costs, costs associated with office and facility openings, closings and consolidations, relocation costs and other non-recurring business optimization expenses);
- (e) any other non-cash charges, expenses or losses (except to the extent such charges, expenses or losses represent an accrual of or reserve for cash expenses in any future period or an amortization of a prepaid cash expense paid in a prior period);
- (f) stock-option based and other equity-based compensation expenses;
- (g) transaction costs, fees, losses and expenses (whether or not any transaction is actually consummated) (including those relating to the Merger Transactions, the transactions contemplated hereby and by the Senior Secured Loan Documents (including any amendments or waivers of the Loan Documents or the Senior Secured Loan Documents), and those payable in connection with the sale of Capital Stock, the incurrence of Indebtedness permitted by Section 6.2, transactions permitted by Section 6.4, Dispositions permitted by Section 6.5, or any Permitted Acquisition or other Investment permitted by Section 6.7 (in each case whether or not successful));
- (h) all fees and expenses paid pursuant to the Management Agreement;
- (i) proceeds from any business interruption insurance (to the extent not reflected as revenue or income in such statement of such Consolidated Net Income);
- (j) the amount of cost savings and other operating improvements and synergies projected by the Borrower in good faith and certified in writing to the Administrative Agent to be realized as a result of any acquisition (including the Merger Transactions) or Disposition (including the termination or discontinuance of activities constituting such business) of business entities or properties or assets, constituting a division or line of business of any business entity, division or

line of business that is the subject of any such acquisition or Disposition, or from any operational change taken or committed to be taken during such period (in each case calculated on a pro forma basis as though such cost savings and other operating improvements and synergies had been realized on the first day of such period), net of the amount of actual benefits realized during such period from such actions to the extent already included in the Consolidated Net Income for such period, provided that (i) the Borrower shall have certified to the Administrative Agent that (A) such cost savings, operating improvements and synergies are reasonably anticipated to result from such actions, (B) such actions have been taken, or have been committed to be taken and the benefits resulting therefrom are anticipated by the Borrower to be realized within 12 months and (ii) no cost savings shall be added pursuant to this clause (j) to the extent already included in clause (d) above with respect to such period;

(k) cash expenses relating to earn-outs and similar obligations;

(l) charges, losses, lost profits, expenses or write-offs to the extent indemnified or insured by a third party, including expenses covered by indemnification provisions in any agreement in connection with the Merger Transactions, a Permitted Acquisition or any other acquisition permitted by Section 6.7;

(m) losses recognized and expenses incurred in connection with the effect of currency and exchange rate fluctuations on intercompany balances and other balance sheet items;

(n) costs of surety bonds in connection with financing activities of such Person and its Restricted Subsidiaries; and

(o) costs associated with, or in anticipation of, or preparation for, compliance with the requirements of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith and Public Company Costs;

minus, to the extent reflected as income or a gain in the statement of such Consolidated Net Income for such period, the sum of:

(a) any extraordinary, unusual or non-recurring income or gains (including gains on the sales of assets outside of the ordinary course of business);

(b) any other non-cash income or gains (other than the accrual of revenue in the ordinary course), but excluding any such items (i) in respect of which cash was received in a prior period or will be received in a future period or (ii) which represent the reversal in such period of any accrual of, or reserve for, anticipated cash charges in any prior period where such accrual or reserve is no longer required, all as determined on a consolidated basis; and

(c) gains realized and income accrued in connection with the effect of currency and exchange rate fluctuations on intercompany balances and other balance sheet items;

provided that for purposes of calculating Consolidated EBITDA of the Borrower and its Restricted Subsidiaries for any period, (A) the Consolidated EBITDA of any Person or Properties constituting a division or line of business of any business entity, division or line of business, in each case, acquired by the Borrower or any of the Restricted Subsidiaries during such period and assuming any synergies, cost savings and other operating improvements to the extent certified by the Borrower as having been determined in good faith to be reasonably anticipated to be realizable within 12 months following such acquisition, or of any Subsidiary designated as a Restricted Subsidiary during such period, shall be



included on a pro forma basis for such period (but assuming the consummation of such acquisition or such designation, as the case may be, occurred on the first day of such period) and (B) the Consolidated EBITDA of any Person or Properties constituting a division or line of business of any business entity, division or line of business, in each case, Disposed of by the Borrower or any of the Restricted Subsidiaries during such period, or of any Subsidiary designated as an Unrestricted Subsidiary during such period, shall be excluded for such period (assuming the consummation of such Disposition or such designation, as the case may be, occurred on the first day of such period). With respect to each Subsidiary that is not a wholly-owned Subsidiary or any joint venture, for purposes of calculating Consolidated EBITDA, the amount of income attributable to such Subsidiary or joint venture, as applicable, that shall be counted for such purposes shall equal the product of (x) the Borrower's direct and/or indirect percentage ownership of such Subsidiary or joint venture and (y) the aggregate amount of the applicable item of such Subsidiary or joint venture, as applicable, except to the extent the application of GAAP already takes into account the non-wholly owned subsidiary relationship. Notwithstanding the forgoing, Consolidated EBITDA shall be calculated without giving effect to the effects of purchase accounting or similar adjustments required or permitted by GAAP in connection with the Transactions, any Investment (including any Permitted Acquisition) and any other acquisition or Investment. For purposes of determining Consolidated EBITDA under this Agreement, Consolidated EBITDA for the fiscal quarter ended March 31, 2008 shall be deemed to be \$64,635,000. Unless otherwise qualified, all references to "Consolidated EBITDA" in this Agreement shall refer to Consolidated EBITDA of the Borrower.

"Consolidated Net Income": of any Person for any period, the consolidated net income (or loss) of such Person and its Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP; provided that in calculating Consolidated Net Income of the Borrower and its consolidated Restricted Subsidiaries for any period, there shall be excluded (a) the income (or loss) of any Person accrued prior to the date it becomes a Restricted Subsidiary or is merged into or consolidated with the Borrower or any of its Subsidiaries and (b) the income (or loss) of any Person (other than a Restricted Subsidiary) in which Holdings, the Borrower or any of its Restricted Subsidiaries has an ownership interest (including any joint venture), except to the extent that any such income is actually received by Holdings, the Borrower or such Restricted Subsidiary in the form of dividends or similar distributions (which dividends and distributions shall be included in the calculation of Consolidated Net Income). Notwithstanding the forgoing, for purposes of calculating Excess Cash Flow, Consolidated Net Income shall not include: (i) extraordinary gains for such period, (ii) the cumulative effect of a change in accounting principles during such period, (iii) any fees and expenses incurred during such period, or any amortization thereof for such period, in connection with any acquisition, investment, recapitalization, asset disposition, issuance or repayment of debt, issuance of equity securities, refinancing transaction or amendment or other modification of any debt instrument (in each case, including any such transaction undertaken but not completed) and any charges or non-recurring merger costs incurred during such period as a result of any such transaction and (iv) any income (loss) for such period attributable to the early extinguishment of Indebtedness or Hedge Agreements. Unless otherwise qualified, all references to "Consolidated Net Income" in this Agreement shall refer to Consolidated Net Income of the Borrower. There shall be excluded from Consolidated Net Income for any period the purchase accounting effects of adjustments to inventory, Property and equipment, software and other intangible assets and deferred revenue required or permitted by GAAP and related authoritative pronouncements (including the effects of such adjustments pushed down to the Borrower and the Restricted Subsidiaries), as a result of the Transactions, any consummated acquisition whether consummated before or after the Closing Date, or the amortization or write-off of any amounts thereof.

"Consolidated Net Interest Expense": of any Person for any period, (a) total cash interest expense (including that attributable to Capital Lease Obligations) of such Person and its Restricted Subsidiaries for such period with respect to all outstanding Indebtedness of such Person and its Restricted

Subsidiaries, minus (b) the sum of (i) total cash interest income of such Person and its Restricted Subsidiaries for such period (excluding any interest income earned on receivables due from clients), in each case determined in accordance with GAAP plus (ii) any one time financing fees (to the extent included in such Person's consolidated interest expense for such period), including, with respect to the Borrower, those paid in connection with the Transaction Documents or in connection with any amendment thereof. Unless otherwise qualified, all references to "Consolidated Net Interest Expense" in this Agreement shall refer to Consolidated Net Interest Expense of the Borrower.

"Consolidated Secured Leverage": at any date, (a) the aggregate principal amount of all Funded Debt of the Borrower and its Restricted Subsidiaries secured by a Lien on such date, minus (b) cash, Cash Equivalents and Permitted Liquid Investments held by the Borrower and its Restricted Subsidiaries on such date, in each case determined on a consolidated basis in accordance with GAAP.

"Consolidated Secured Leverage Ratio": as of any date of determination, the ratio of (a) Consolidated Secured Leverage on such day to (b) Consolidated EBITDA of the Borrower and the Restricted Subsidiaries for the most recently ended Test Period.

"Consolidated Total Assets": the total assets of the Borrower and its Restricted Subsidiaries, determined on a consolidated basis in accordance with GAAP, as shown on the consolidated balance sheet of the Borrower for the most recently completed fiscal quarter for which financial statements have been delivered pursuant to Section 5.1(a) or (b).

"Consolidated Total Leverage": at any date, (a) the aggregate principal amount of all Funded Debt of the Borrower and its Restricted Subsidiaries on such date, minus (b) cash, Cash Equivalents and Permitted Liquid Investments held by the Borrower and its Restricted Subsidiaries on such date, in each case determined on a consolidated basis in accordance with GAAP.

"Consolidated Total Leverage Ratio": as of any date of determination, the ratio of (a) Consolidated Total Leverage on such day to (b) Consolidated EBITDA of the Borrower and the Restricted Subsidiaries for the most recently ended Test Period.

"Consolidated Working Capital": at any date, the difference of (a) Consolidated Current Assets on such date minus (b) Consolidated Current Liabilities on such date, provided that, for purposes of calculating Excess Cash Flow, increases or decreases in Consolidated Working Capital shall be calculated without regard to changes in the working capital balance as a result of non-cash increases or decreases thereof that will not result in future cash payments or receipts or cash payments or receipts in any previous period, in each case, including, without limitation, any changes in Consolidated Current Assets or Consolidated Current Liabilities as a result of (i) any reclassification in accordance with GAAP of assets or liabilities, as applicable, between current and noncurrent, (ii) the effects of purchase accounting and (iii) the effect of fluctuations in the amount of accrued or contingent obligations, assets or liabilities under Hedge Agreements.

"Continuing Directors": the directors of Holdings on the Closing Date and each other director of Holdings, if, in each case, such other director's nomination for election to the Board of Directors of Holdings is recommended by at least 51% of the then Continuing Directors or such other director receives the vote of the Sponsor and/or its Affiliates (excluding any operating portfolio companies of the Sponsor) or any other Permitted Investor in his or her nomination or election by the shareholders of Holdings.

“Contractual Obligation”: as to any Person, any provision of any security issued by such Person or of any written or recorded agreement, instrument or other undertaking to which such Person is a party or by which it or any of its Property is bound.

“Default”: any of the events specified in Section 7.1, whether or not any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

“Derivatives Counterparty”: as defined in Section 6.6.

“Disinterested Director”: as defined in Section 6.9.

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

“Disqualified Capital Stock”: Capital Stock that (a) requires the payment of any dividends (other than dividends payable solely in shares of Qualified Capital Stock), (b) matures or is mandatorily redeemable or subject to mandatory repurchase or redemption or repurchase at the option of the holders thereof (other than solely for Qualified Capital Stock), in each case in whole or in part and whether upon the occurrence of any event, pursuant to a sinking fund obligation on a fixed date or otherwise (including as the result of a failure to maintain or achieve any financial performance standards) or (c) are convertible or exchangeable, automatically or at the option of any holder thereof, into any Indebtedness, Capital Stock or other assets other than Qualified Capital Stock, in the case of clauses (a), (b) and (c), prior to the date that is 91 days after the Maturity Date (other than (i) upon payment in full of the Obligations (other than indemnification and other contingent obligations not yet due and owing) or (ii) upon a “change in control”; provided that any payment required pursuant to this clause (ii) is subject to the prior repayment in full of the Obligations (other than indemnification and other contingent obligations not yet due and owing) that are accrued and payable); provided further, however, that if such Capital Stock is issued to any employee or to any plan for the benefit of employees of the Borrower or the Subsidiaries or by any such plan to such employees, such Capital Stock shall not constitute Disqualified Capital Stock solely because it may be required to be repurchased by the Borrower in order to satisfy applicable statutory or regulatory obligations or as a result of such employee’s termination, death or disability.

“Disqualified Institution”: (i) those institutions identified by the Borrower in writing to the Administrative Agent prior to the Closing Date or, with the consent of the Administrative Agent (not to be unreasonably withheld; consent of the Administrative Agent shall be deemed to have been given if the Administrative Agent does not object within 5 Business Days after identification of an institution) from time to time thereafter, and their known Affiliates and (ii) business competitors of the Borrower and its Subsidiaries or the Company identified by Borrower in writing to the Administrative Agent from time to time and their known Affiliates.

“Dollars” and “\$”: dollars in lawful currency of the United States.

“Domestic Subsidiary”: any direct or indirect Restricted Subsidiary organized under the laws of any jurisdiction within the United States.

“Environmental Laws”: any and all applicable laws, rules, orders, regulations, statutes, ordinances, codes or decrees (including, without limitation, common law) of any international authority, foreign government, the United States, or any state, provincial, local, municipal or other governmental authority, regulating, relating to or imposing liability or standards of conduct concerning protection of the

environment, natural resources or human health and safety as it relates to Releases of Materials of Environmental Concern, as has been, is now, or at any time hereafter is, in effect.

“Environmental Liability”: any liability, claim, action, suit, judgment or order under or relating to any Environmental Law for any damages, injunctive relief, losses, fines, penalties, fees, expenses (including reasonable fees and expenses of attorneys and consultants) or costs, whether contingent or otherwise, including those arising from or relating to: (a) compliance or non-compliance with any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Materials of Environmental Concern, (c) exposure to any Materials of Environmental Concern, (d) the Release of any Materials of Environmental Concern 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 Issuance”: any issuance by Holdings, the Borrower or any Restricted Subsidiary of its Capital Stock in a public or private offering.

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

“Event of Default”: any of the events specified in Section 7.1; provided that any requirement set forth therein for the giving of notice, the lapse of time, or both, has been satisfied.

“Excess Cash Flow”: for any fiscal year of the Borrower, the difference, if any, of (a) the sum, without duplication, of (i) Consolidated Net Income of the Borrower for such fiscal year, (ii) the amount of all non-cash charges (including depreciation, amortization and deferred tax expense) deducted in arriving at such Consolidated Net Income and cash receipts included in clause (i) of the definition of “Consolidated Net Income” and excluded in arriving at such Consolidated Net Income, (iii) the amount of the decrease, if any, in Consolidated Working Capital for such fiscal year (excluding any decrease in Consolidated Working Capital relating to leasehold improvements for which the Borrower or any of its Subsidiaries is reimbursed in cash or receives a credit) and (iv) the aggregate net amount of non-cash loss on the Disposition of Property by the Borrower and its Restricted Subsidiaries during such fiscal year (other than sales of inventory in the ordinary course of business), to the extent deducted in arriving at such Consolidated Net Income; minus (b) the sum, without duplication (including, in the case of clauses (ii) and (viii) below, duplication across periods (provided that all or any portion of the amounts referred to in clauses (ii) and (viii) below with respect to a period may be applied in the determination of Excess Cash Flow for any subsequent period to the extent such amounts did not previously result in a reduction of Excess Cash Flow in any prior period)) of:

(i) the amount of all non-cash gains or credits included in arriving at such Consolidated Net Income (including, without limitation, credits included in the calculation of deferred tax assets and liabilities) and cash charges excluded in clauses (i) through (iv) of the definition of “Consolidated Net Income” and included in arriving at such Consolidated Net Income;

(ii) the aggregate amount (A) actually paid by the Borrower and its Restricted Subsidiaries in cash during such fiscal year on account of Capital Expenditures and Permitted Acquisitions and (B) committed during such fiscal year to be used to make Capital Expenditures or Permitted Acquisitions which in either case have been actually made or consummated or for which a binding agreement exists as of the time of determination of Excess Cash Flow for such fiscal year (in each case under this clause (ii) other than to the extent any such Capital Expenditure or Permitted Acquisition is made (or, in the case of the preceding clause (B), is expected to be made) with the proceeds of new long-term Indebtedness or an Equity Issuance or

with the proceeds of any Reinvestment Deferred Amount under, and as defined in, the Senior Secured Loan Agreement (as in effect on the Closing Date));

(iii) the aggregate amount of all regularly scheduled principal payments and all prepayments of Indebtedness (including, without limitation, the Loans and, if applicable, the Senior Secured Loans) of the Borrower and its Restricted Subsidiaries made during such fiscal year (other than in respect of any revolving credit facility to the extent there is not an equivalent permanent reduction in commitments thereunder and other than to the extent any such prepayments are the result of the incurrence of additional indebtedness and other than optional prepayments of the Term Loans under and as defined in the Senior Secured Loan Agreement and optional prepayments of Revolving Loans and Swingline Loans under and as defined in the Senior Secured Loan Agreement to the extent accompanied by permanent optional reductions of the Revolving Commitments under and as defined in the Senior Secured Loan Agreement);

(iv) the amount of the increase, if any, in Consolidated Working Capital for such fiscal year (excluding any increase in Consolidated Working Capital relating to leasehold improvements for which the Borrower or any of its Subsidiaries is reimbursed in cash or receives a credit);

(v) the aggregate net amount of non-cash gain on the Disposition of Property by the Borrower and its Restricted Subsidiaries during such fiscal year (other than sales of inventory in the ordinary course of business), to the extent included in arriving at such Consolidated Net Income;

(vi) fees and expenses incurred in connection with the Transactions or any Permitted Acquisition (whether or not consummated);

(vii) purchase price adjustments paid or received in connection with the Merger Transactions, any Permitted Acquisition or any other acquisition permitted under Section 6.7(h) or (v);

(viii) (A) the net amount of Investments made during such period pursuant to paragraphs (d), (f), (h), (l), (v) and (y) of Section 6.7 (to the extent, in the case of clause (y), such Investment relates to Restricted Payments permitted under Section 6.6(c), (e), (h) or (i)) or committed during such period to be used to make Investments pursuant to such paragraphs of Section 6.7 which have been actually made or for which a binding agreement exists as of the time of determination of Excess Cash Flow for such period (but excluding Investments among the Borrower and its Restricted Subsidiaries) and (B) permitted Restricted Payments made in each case by the Borrower during such period and permitted Restricted Payments made by any Restricted Subsidiary to any Person other than Holdings, the Borrower or any of the Restricted Subsidiaries during such period, in each case, to the extent permitted by Section 6.6(c), (e), (h) or (i); provided that the amount of Restricted Payments made pursuant to Section 6.6(e) and deducted pursuant to this clause (viii) shall not exceed \$10,000,000 in any fiscal year;

(ix) the amount (determined by the Borrower) of such Consolidated Net Income which is mandatorily prepaid or reinvested pursuant to Section 2.12(b) of the Senior Secured Loan Agreement or any successor provision (or as to which a waiver of the requirements of such Section applicable thereto has been granted) prior to the date of determination of Excess Cash Flow for such fiscal year as a result of any Asset Sale or Recovery Event;

- (x) the aggregate amount of any premium or penalty actually paid in cash that is required to be made in connection with any prepayment of Indebtedness;
- (xi) cash payments by the Borrower and its Restricted Subsidiaries during such period in respect of long-term liabilities of the Borrower and its Subsidiaries other than Indebtedness;
- (xii) the aggregate amount of expenditures actually made by the Borrower and its Restricted Subsidiaries in cash during such period (including expenditures for the payment of financing fees) to the extent that such expenditures are not expensed during such period and are not deducted in calculating Consolidated Net Income;
- (xiii) cash expenditures in respect of Hedge Agreements during such period to the extent not deducted in arriving at such Consolidated Net Income;
- (xiv) the amount of taxes (including penalties and interest) paid in cash in such period or tax reserves set aside or payable (without duplication) in such period to the extent they exceed the amount of tax expense deducted in determining Consolidated Net Income for such period;
- (xv) the amount of cash payments made in respect of pensions and other post-employment benefits in such period;
- (xvi) payments made in respect of the minority equity interests of third parties in any non-wholly owned Restricted Subsidiary in such period, including pursuant to dividends declared or paid on Capital Stock held by third parties in respect of such non-wholly-owned Restricted Subsidiary; and
- (xvii) the amount representing accrued expenses for cash payments (including with respect to retirement plan obligations) that are not paid in cash in such fiscal year, provided that such amounts will be added to Excess Cash Flow for the following fiscal year to the extent not paid in cash during such following fiscal year.

"Excluded Subsidiary": (a) each Domestic Subsidiary which is an Immaterial Subsidiary as of the Closing Date and listed on Schedule 1.1 and each future Domestic Subsidiary which is an Immaterial Subsidiary, in each case, for so long as such Subsidiary remains an Immaterial Subsidiary, (b) each Domestic Subsidiary that is not a wholly-owned Subsidiary on any date such Subsidiary would otherwise be required to become a Guarantor pursuant to the requirements of Section 5.8(a) (for so long as such Subsidiary remains a non-wholly-owned Restricted Subsidiary), (c) any Foreign Subsidiary Holding Company, (d) each Domestic Subsidiary that is a Subsidiary of a Foreign Subsidiary, (e) each Unrestricted Subsidiary, (f) each Domestic Subsidiary to the extent that (i) such Domestic Subsidiary is prohibited by any applicable Contractual Obligation or Requirement of Law from guaranteeing the Obligations, (ii) any Contractual Obligation prohibits such guarantee without the consent of the other party or (iii) a guarantee of the Obligations would give any other party to a Contractual Obligation the right to terminate its obligation thereunder; provided that clauses (ii) and (iii) shall not be applicable if (A) such other party is a Loan Party or a wholly-owned Subsidiary or (B) consent has been obtained to provide such guarantee and for so long as such Contractual Obligation or replacement or renewal thereof is in effect, (g) any Subsidiary that is a Special Purpose Entity or (h) any other Domestic Subsidiary with respect to which, in the reasonable judgment of the Administrative Agent (confirmed by notice to the Borrower) the cost of providing a guarantee is excessive in view of the benefits to be obtained by the Lenders.

"Facility": the Commitments and the Loans made hereunder.

“Federal Funds Effective Rate”: for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for the day of such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by it.

“First Call Date”: the second anniversary of the Closing Date.

“Foreign Subsidiary”: any Restricted Subsidiary of the Borrower that is not a Domestic Subsidiary.

“Foreign Subsidiary Holding Company”: any Restricted Subsidiary of the Borrower which is a Domestic Subsidiary substantially all of the assets of which consist of the Capital Stock of one or more Foreign Subsidiaries.

“Funded Debt”: with respect to any Person, all Indebtedness of such Person of the types described in clauses (a), (b), (e), (g)(ii) or, to the extent related to Indebtedness of the types described in the preceding clauses, (d) of the definition of “Indebtedness”.

“Funding Office”: the office of the Administrative Agent specified in Section 9.2 or such other office as may be specified from time to time by the Administrative Agent as its funding office by written notice to the Borrower and the Lenders.

“GAAP”: generally accepted accounting principles in the United States as in effect from time to time.

“Governmental Authority”: any nation or government, any state, province or other political subdivision thereof and any governmental entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and, as to any Lender, any securities exchange and any self regulatory organization (including the National Association of Insurance Commissioners).

“Guarantee Agreement”: the Guarantee Agreement to be executed and delivered by Holdings, the Borrower and each Subsidiary Guarantor, substantially in the form of Exhibit A, as the same may be amended, supplemented or otherwise modified from time to time.

“Guarantee Obligation”: as to any Person (the “guaranteeing person”), any obligation of (a) the guaranteeing person or (b) another Person (including, without limitation, any bank under any letter of credit) pursuant to which the guaranteeing person has issued a guarantee, reimbursement, counterindemnity or similar obligation, in either case guaranteeing or by which such Person becomes contingently liable for any Indebtedness (the “primary obligations”) of any other third Person (the “primary obligor”) in any manner, whether directly or indirectly, including, without limitation, any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any Property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase Property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term

Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business and reasonable indemnity obligations in effect on the Closing Date or entered into in connection with any acquisition or disposition of assets or any Investment permitted under this Agreement. The amount of any Guarantee Obligation of any guaranteeing Person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (b) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case, the amount of such Guarantee Obligation shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof (assuming such person is required to perform thereunder) as determined by such Person in good faith.

"Guarantors": the collective reference to Holdings and the Subsidiary Guarantors.

"Hedge Agreements": all agreements with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more 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, in each case, entered into by the Borrower or any Restricted Subsidiary.

"Holdings": as defined in the preamble hereto.

"Holdings IPO": the issuance by Holdings or any Parent Company of its common Capital Stock in an underwritten primary public offering (other than a public offering pursuant to a registration statement on Form S-8) pursuant to an effective registration statement filed with the SEC in accordance with the Securities Act whether alone or in connection with a secondary public offering.

"Immaterial Subsidiary": on any date, any Subsidiary of the Borrower that has had less than 5% of Consolidated Total Assets and 5% of annual consolidated revenues of the Borrower and its Restricted Subsidiaries as reflected on the most recent financial statements delivered pursuant to Section 5.1 prior to such date; provided that at no time shall all Immaterial Subsidiaries have in the aggregate Consolidated Total Assets or annual consolidated revenues (as reflected on the most recent financial statements delivered pursuant to Section 5.1 prior to such time) in excess of 7.5% of Consolidated Total Assets or annual consolidated revenues, respectively, of the Borrower and its Restricted Subsidiaries.

"Indebtedness" of any Person: without duplication, (a) all indebtedness 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 for the deferred purchase price of Property or services already received, (d) all Guarantee Obligations by such Person of Indebtedness of others, (e) all Capital Lease Obligations of such Person, (f) all payments that such Person would have to make in the event of an early termination, on the date Indebtedness of such Person is being determined in respect of outstanding Hedge Agreements (such payments in respect of any Hedge Agreement with a counterparty being calculated subject to and in accordance with any netting provisions in such Hedge Agreement), (g) the principal component of all obligations, contingent or otherwise, of such Person (i) as an account party in respect of letters of credit (other than any letters of credit, bank guarantees or similar instrument in respect of which a back-to-back letter of credit has been permitted by this Agreement) and (ii) in respect of bankers' acceptances; provided that Indebtedness shall not include (A) trade and other ordinary course payables, accrued expenses and intercompany liabilities arising in the ordinary course of business, (B) prepaid or deferred revenue arising in the ordinary course of business, (C) purchase price holdbacks



arising in the ordinary course of business in respect of a portion of the purchase price of an asset to satisfy unperformed obligations of the seller of such asset or (D) earn-out and other contingent obligations until such obligations become a liability on the balance sheet of such Person in accordance with GAAP. The Indebtedness of any Person shall include the Indebtedness of any partnership in which such Person is a general Partner, other than to the extent that the instrument or agreement evidencing such Indebtedness expressly limits the liability of such Person in respect thereof.

“Indebtedness for Borrowed Money”: (a) to the extent the following would be reflected on a consolidated balance sheet of the Borrower and its Restricted Subsidiaries prepared in accordance with GAAP, the principal amount of all Indebtedness of the Borrower and its Restricted Subsidiaries with respect to (i) borrowed money, evidenced by debt securities, debentures, acceptances, notes or other similar instruments and (ii) Capital Lease Obligations, (b) reimbursement obligations for letters of credit and financial guarantees (without duplication) (other than ordinary course of business contingent reimbursement obligations) and (c) Hedge Agreements; provided that the Obligations shall not constitute Indebtedness for Borrowed Money.

“Indemnified Liabilities”: as defined in Section 9.5.

“Indemnitee”: as defined in Section 9.5.

“Initial Borrower”: as defined in the preamble hereto.

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

“Insolvent”: pertaining to a condition of Insolvency.

“Intellectual Property”: the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including, without limitation, copyrights, copyright licenses, domain names, patents, patent licenses, trademarks, trademark licenses, trade names, technology, know-how and processes, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

“Interest Payment Date”: (a) commencing on September 30, 2008, the last Business Day of each March, June, September and December to occur while each Loan is outstanding and the final maturity date of each Loan and (b) as to any Loan, the date of any repayment or prepayment made in respect thereof.

“Interest Period”: the period commencing on and including an Interest Payment Date and ending on and including the day immediately preceding the next succeeding Interest Payment Date, with the exception that the first Interest Period shall commence on and include the Closing Date to but excluding September 30, 2008.

“Investments”: as defined in Section 6.7.

“Lead Arrangers”: Credit Suisse Securities (USA) LLC, Banc of America Securities LLC and Lehman Brothers Inc. in their capacity as joint lead arrangers and joint bookrunners.

“Lenders”: as defined in the preamble hereto.

“Lien”: any mortgage, pledge, hypothecation, collateral assignment, encumbrance, lien (statutory or other), charge or other security interest or any other security agreement of any kind or nature whatsoever (including any conditional sale or other title retention agreement and any capital lease having substantially the same economic effect as any of the foregoing). For the avoidance of doubt, it is understood and agreed that the Borrower and any Restricted Subsidiary may, as part of its business, grant licenses to third parties to use Intellectual Property owned or developed by, or licensed to, such entity. For purposes of this Agreement and the other Loan Documents, such licensing activity, and licenses granted pursuant to the Merger Documents, shall not constitute a “Lien” on such Intellectual Property. Each of the Administrative Agent and each Lender understands that any such licenses may be exclusive to the applicable licensees, and such exclusivity provisions may limit the ability of the Administrative Agent to utilize, sell, lease, license or transfer the related Intellectual Property or otherwise realize value from such Intellectual Property pursuant hereto.

“Loan”: as defined in Section 2.1.

“Loan Documents”: the collective reference to this Agreement, the Guarantee Agreement and the Notes (if any) and any amendment, waiver, supplement or other modification to any of the foregoing.

“Loan Parties”: Holdings, the Borrower and each Subsidiary Guarantor.

“Management Agreement”: the Management Agreement, by and between Explorer Holding Corporation, the Borrower and TC Group V, L.L.C., as in effect on the Closing Date and as modified from time to time with the consent of the Administrative Agent (which consent shall not be unreasonably withheld or delayed).

“Material Adverse Effect”: a material adverse effect on (a) the business, operations, assets, financial condition or results of operations of the Borrower and its Restricted Subsidiaries, taken as a whole, or (b) the material rights and remedies available to the Administrative Agent and the Lenders, taken as a whole, under the Loan Documents.

“Materials of Environmental Concern”: any gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products, polychlorinated biphenyls, urea-formaldehyde insulation, asbestos, pollutants, contaminants, radioactivity and any other substances that are defined as hazardous or toxic under any Environmental Law, that are regulated pursuant to any Environmental Law.

“Maturity Date”: the eighth anniversary of the Closing Date.

“Merger Agreement”: the Agreement and Plan of Merger, dated as of May 15, 2008, by and among, Holdings, the Company, Explorer Holding Corporation, the Initial Borrower and Booz & Company Inc.

“Merger Documents”: collectively, the Merger Agreement, the Spin Off Agreement, and all schedules, exhibits, annexes and amendments thereto (including the execution versions of any agreements that are exhibits or annexes thereto), in each case, as amended, supplemented or otherwise modified from time to time.

“Merger Transactions”: the transactions contemplated by the Merger Documents.

“Moody's”: Moody's Investors Service, Inc. or any successor to the rating agency business thereof.

“Multiemployer Plan”: a Plan that is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

“Net Cash Proceeds”: (a) in connection with any Asset Sale or any Recovery Event, the proceeds thereof in the form of cash, Cash Equivalents and Permitted Liquid Investments (including any such proceeds received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but only as and when received) received by any Loan Party, net of (i) attorneys’ fees, accountants’ fees, investment banking fees, consulting fees, amounts required to be applied to the repayment of Indebtedness secured by a Lien expressly permitted hereunder on any asset which is the subject of such Asset Sale or Recovery Event and other customary fees and expenses actually incurred by any Loan Party in connection therewith; (ii) taxes paid or reasonably estimated to be payable by any Loan Party as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements); (iii) the amount of any reasonable reserve established in accordance with GAAP against any liabilities (other than any taxes deducted pursuant to clause (ii) above) (A) associated with the assets that are the subject of such event and (B) retained by the Borrower or any of the Restricted Subsidiaries, provided that the amount of any subsequent reduction of such reserve (other than in connection with a payment in respect of any such liability) shall be deemed to be Net Cash Proceeds of such event occurring on the date of such reduction and (iv) the pro rata portion of the Net Cash Proceeds thereof (calculated without regard to this clause (iv)) attributable to minority interests and not available for distribution to or for the account of the Borrower or any Domestic Subsidiary as a result thereof and (b) in connection with any Equity Issuance or other issuance or sale of debt securities or instruments or the incurrence of Funded Debt, the cash proceeds received from such issuance or incurrence, net of attorneys’ fees, investment banking fees, accountants’ fees, consulting fees, underwriting discounts and commissions and other customary fees and expenses actually incurred in connection therewith.

“New Subsidiary”: as defined in Section 6.2(t).

“Non-Excluded Subsidiary”: any Subsidiary of the Borrower which is not an Excluded Subsidiary.

“Non-Excluded Taxes”: as defined in Section 2.10(a).

“Non-Guarantor Subsidiary”: any Subsidiary of the Borrower which is not a Subsidiary Guarantor.

“Non-Recourse Debt”: Indebtedness (a) with respect to which no default would permit (upon notice, lapse of time or both) any holder of any other Indebtedness of Holdings, the Borrower or any of its Restricted Subsidiaries to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity and (b) as to which the lenders or holders thereof will not have any recourse to the capital stock or assets of Holdings, the Borrower or any of its Restricted Subsidiaries.

“Non-US Lender”: as defined in Section 2.10(d).

“Note”: any promissory note evidencing any Loan, which promissory note shall be in the form of Exhibit H or such other form as agreed upon by the Administrative Agent and the Borrower.

“Obligations”: the unpaid principal (including, for the avoidance of doubt, any original issue discount and the amount of all PIK Interest, if any, that has been added to such principal) of and interest on (including, without limitation, interest accruing after the maturity of the Loans and interest

accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed or allowable in such proceeding) the Loans and all other obligations and liabilities of the Borrower to the Administrative Agent or to any Lender, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, in each case, which may arise under, out of, or in connection with, this Agreement, any other Loan Document or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including, without limitation, all fees, charges and disbursements of counsel to the Administrative Agent or any Lender that are required to be paid by the Borrower pursuant hereto) or otherwise.

“Offer”: as defined in Section 2.5(d)(i).

“Offer Loans”: as defined in Section 2.5(d)(i).

“Other Taxes”: any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

“Parent Company”: any direct or indirect parent of Holdings.

“Participant”: as defined in Section 9.6(c).

“PBGC”: the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA (or any successor).

“Permitted Acquisition”: (a) any acquisition (including, if applicable, in the case of any Intellectual Property, by way of license) approved by the Required Lenders, (b) any acquisition made solely with the Net Cash Proceeds of any substantially concurrent Equity Issuance or capital contribution (other than Disqualified Capital Stock) or (c) any acquisition of a majority controlling interest in the Capital Stock, or all or substantially all of the assets, of any Person, or of all or substantially all of the assets constituting a division, product line or business line of any Person (each, an “Acquisition”), if such Acquisition described in this clause (c) complies with the following criteria:

(a) no Event of Default shall be in effect immediately prior or after giving effect to such Acquisition; and

(b) if the total consideration (other than any equity consideration) in respect of such Acquisition exceeds \$10,000,000, the Borrower shall have delivered to the Administrative Agent a certificate of the Borrower signed by a Responsible Officer to such effect, together with all relevant financial information for such Subsidiary or asset to be acquired reasonably requested by the Administrative Agent prior to such acquisition to the extent available.

“Permitted Business”: the Business and any services, activities or businesses incidental or directly related or similar to any line of business engaged in by the Borrower and its Subsidiaries as of the Closing Date or any business activity that is a reasonable extension, development or expansion thereof or ancillary thereto.

“Permitted Investors”: the collective reference to the Sponsor and its Affiliates (but excluding any operating portfolio companies of the foregoing), the members of management of Holdings

and its Subsidiaries that have ownership interests in Holdings as of the Closing Date, and the directors of Holdings and its Subsidiaries or any Parent Company on, or as of no later than 60 days following, the Closing Date.

**"Permitted Liquid Investments"**: (a) securities issued or directly and fully and unconditionally guaranteed or insured by the United States government or any agency or instrumentality thereof the securities of which are unconditionally guaranteed as a full faith and credit obligation of such government with maturities of 24 months or less from the date of acquisition, (b) certificates of deposit, time deposits and eurodollar time deposits with maturities of 24 months or less from the date of acquisition, bankers' acceptances with maturities not exceeding 24 months and overnight bank deposits, in each case, with any domestic commercial bank having capital and surplus in excess of \$250,000,000, (c) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (a) and (b) above entered into with any financial institution meeting the qualifications specified in clause (b) above, (d) commercial paper having a rating of at least A-1 from S&P or P-1 from Moody's (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another rating agency) and maturing within 24 months after the date of acquisition and Indebtedness and Preferred Stock issued by Persons with a rating of "A" or higher from S&P or "A2" or higher from Moody's with maturities of 24 months or less from the date of acquisition, (e) readily marketable direct obligations issued by any state of the United States or any political subdivision thereof having one of the two highest rating categories obtainable from either Moody's or S&P with maturities of 24 months or less from the date of acquisition, (f) marketable short-term money market and similar securities having a rating of at least P-1 or A-1 from Moody's or S&P, respectively (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another rating agency) and in each case maturing within 24 months after the date of creation or acquisition thereof, (g) Investments with average maturities of 12 months or less from the date of acquisition in money market funds rated AA- (or the equivalent thereof) or better by S&P or Aa3 (or the equivalent thereof) or better by Moody's, (h) instruments equivalent to those referred to in clauses (a) through (g) above denominated in euro or pound sterling or any other foreign currency comparable in credit quality and tenor to those referred to above and customarily used by corporations for cash management purposes in any jurisdiction outside the United States to the extent reasonably required in connection with any business conducted by any Restricted Subsidiary organized in such jurisdiction including, without limitation, certificates of deposit or bankers' acceptances of, and bank deposits with, any bank organized under the laws of any country that is a member of the European Economic Community or Canada or any subdivision thereof, whose short-term commercial paper rating from S&P is at least A-1 or the equivalent thereof or from Moody's is at least P-1 or the equivalent thereof, in each case with maturities of not more than 24 months from the date of acquisition and (i) investment in funds which invest substantially all of their assets in Cash Equivalents of the kinds described in clauses (a) through (h) of this definition.

**"Permitted Refinancings"**: with respect to any Person, refinancings, replacements, modifications, refundings, renewals or extensions of Indebtedness provided that (a) there is no increase in the principal amount (or accrued value) thereof (excluding accrued interest, fees, discounts, premiums and expenses), (b) the weighted average life to maturity of such Indebtedness is greater than or equal to the shorter of (i) the weighted average life to maturity of the Indebtedness being refinanced and (ii) the weighted average life to maturity that would result if all payments of principal on the Indebtedness being refinanced that were due on or after the date that is one year following the Maturity Date were instead due one year following the Maturity Date, (c) if the Indebtedness being refinanced, refunded, modified, renewed or extended is subordinated in right of payment to the Obligations, such refinancing, refunding, modification, renewal or extension is subordinated in right of payment to the Obligations (A) on terms at least as favorable to the Lenders as those contained in the documentation governing the Indebtedness being refinanced, refunded, modified, renewed or extended, (B) on terms consistent with the then-prevailing market terms for subordination of comparable Indebtedness or (C) on terms to which the

Administrative Agent shall agree, (d) the terms and conditions (including, if applicable, as to collateral) of any such refinanced, refunded, modified, renewed or extended Indebtedness are not materially less favorable to the Lenders than the terms and conditions of the Indebtedness being modified, refinanced, refunded, renewed or extended, (e) no Default or Event of Default shall have occurred and be continuing at the time thereof or no Default or Event of Default would result from any such refinancing, refunding, modification, renewal or extension and (f) with respect to any such Indebtedness that is secured, neither the Borrower nor any Restricted Subsidiary shall be an obligor or guarantor of any such refinancings, replacements, refundings, renewals or extensions except to the extent that such Person was such an obligor or guarantor in respect of the applicable Indebtedness being modified, refinanced, refunded, renewed or extended.

“Permitted Subordinated Indebtedness”: unsecured, senior subordinated or subordinated Indebtedness of the Borrower or any Restricted Subsidiary (including guarantees thereof by the Borrower or any Guarantor, as applicable), provided that (a) no scheduled principal payments, mandatory prepayments, redemptions or sinking fund payments of any Permitted Subordinated Indebtedness shall be required prior to the date at least 180 days following the Maturity Date (other than customary offers to purchase upon a change of control, asset sale, customary acceleration rights upon an event of default and AHYDO Payments), (b) the covenants and events of default of such Permitted Subordinated Indebtedness (i) shall be, taken as a whole, customary for Indebtedness of a similar nature as such Permitted Subordinated Indebtedness or (ii) shall otherwise not have been objected to by the Administrative Agent, after the Administrative Agent shall have been afforded a period of five Business Days to review such terms of such Permitted Subordinated Indebtedness, (c) the terms of subordination applicable to any Permitted Subordinated Indebtedness shall be (i) taken as a whole, customary for unsecured subordinated high yield debt securities issued by any Affiliates of the Sponsor or (ii) shall otherwise not have been objected to by the Administrative Agent, after the Administrative Agent shall have been afforded a period of five Business Days to review such terms of such Permitted Subordinated Indebtedness and (d) no Default or Event of Default shall have occurred and be continuing at the time of incurrence of such Indebtedness or would result therefrom.

“Person”: an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

“PIK Interest Amount”: as defined in Section 2.8(a).

“Plan”: at a particular time, any employee benefit plan as defined in Section 3(3) of ERISA and in respect of which Holdings, the Borrower or any of its Restricted Subsidiaries is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA, including a Multiemployer Plan.

“Property”: any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible, including, without limitation, Capital Stock.

“Public Company Costs”: costs relating to compliance with the provisions of the Securities Act and the Exchange Act, as applicable to companies with equity or debt securities held by the public, the rules of national securities exchange companies with listed equity or debt securities, directors’ compensation, fees and expense reimbursement, costs relating to investor relations, shareholder meetings and reports to shareholders or debtholders, directors and officers’ insurance and other executive costs, legal and other professional fees, and listing fees.

“Qualified Capital Stock”: any Capital Stock that is not Disqualified Capital Stock.

“Ratio Calculation Date”: as defined in Section 1.3(a).

“Real Property”: collectively, all right, title and interest of the Borrower or any other Subsidiary in and to any and all parcels of real property owned or operated by the Borrower or any other Subsidiary together with all improvements and appurtenant fixtures, easements and other property and rights incidental to the ownership, lease or operation thereof.

“Recovery Event”: any settlement of or payment in respect of any Property or casualty insurance claim or any condemnation proceeding relating to any asset of the Borrower or any Domestic Subsidiary that is a Restricted Subsidiary, in an amount for each such event exceeding \$1,000,000.

“Reference Period”: the period of four fiscal quarters most recently ended immediately prior to the date of any specified event for which financial statements have been delivered pursuant to Section 5.1.

“Refinancing”: the repayment of certain existing Indebtedness of the Company on the Closing Date.

“Register”: as defined in Section 9.6(b)(iv).

“Regulation U”: Regulation U of the Board as in effect from time to time.

“Related Business Assets”: assets (other than cash, Cash Equivalents or Permitted Liquid Investments) used or useful in a Permitted Business; provided that any assets received by the Borrower or a Restricted Subsidiary in exchange for assets transferred by the Borrower or a Restricted Subsidiary shall not be deemed to be Related Business Assets if they consist of securities of a Person, unless upon receipt of the securities of such Person, such Person would become a Restricted Subsidiary.

“Release”: any release, spill, emission, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into or through the environment or within or upon any building, structure or facility.

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

“Reportable Event”: any of the events set forth in Section 4043(c) of ERISA, other than those events as to which the thirty day notice period is waived by the PBGC in accordance with the regulations thereunder.

“Representatives”: as defined in Section 9.14.

“Required Lenders”: at any time, the holders of more than 50% of (a) until the Closing Date, the Commitments then in effect and (b) thereafter, the aggregate unpaid principal amount of the Loans then outstanding; provided, however, that determinations of the “Required Lenders” shall exclude any Commitments or Loans held by any Carlyle Fund.

“Requirement of Law”: as to any Person, the certificate of incorporation and by-laws 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.

“Responsible Officer”: the chief executive officer, president, chief financial officer (or similar title) controller or treasurer (or similar title) of Holdings or the Borrower, as applicable, or (with respect to Section 5.7) any Restricted Subsidiary and, with respect to financial matters, the chief financial officer (or similar title), controller or treasurer (or similar title) of Holdings or the Borrower, as applicable.

“Restricted Payments”: as defined in Section 6.6.

“Restricted Subsidiary”: any Subsidiary of the Borrower which is not an Unrestricted Subsidiary.

“S&P”: Standard & Poor’s Ratings Group, Inc., or any successor to the rating agency business thereof.

“SEC”: the Securities and Exchange Commission (or successors thereto or an analogous Governmental Authority).

“Securities Act”: the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

“Senior Secured Loan Agreement”: the Credit Agreement, dated as of July 31, 2008, among Holdings, the Borrower, the lenders from time to time parties thereto, Credit Suisse, as administrative agent and collateral agent, Bank of America, N.A., as syndication agent, and Lehman Brothers Commercial Bank, C.I.T. Leasing Corporation and Sumitomo Mitsui Bank Corporation, as documentation agents, Credit Suisse, as issuing lender and Banc of America Securities LLC, Credit Suisse Securities (USA) LLC, Lehman Brothers Inc. and Sumitomo Mitsui Bank Corporation, as joint lead arrangers and joint bookrunners, as such agreement may be amended, supplemented or otherwise modified from time to time or refunded, refinanced, restructured, replaced, renewed, repaid, increased or extended from time to time to the extent not prohibited by this Agreement (whether in whole or in part, whether with the original administrative agent and lenders or other agents and lenders or otherwise, and whether provided under the original Senior Secured Loan Agreement or other credit agreements, indentures or otherwise, unless such agreement or instrument expressly provides that it is not intended to be and is not a Senior Secured Loan Agreement hereunder).

“Senior Secured Loan Documents”: the Loan Documents as defined in the Senior Secured Loan Agreement or any other documentation evidencing any Senior Secured Loan Facility, as the same may be amended, supplemented or otherwise modified, extended, renewed, refinanced or replaced from time to time to the extent not prohibited by this Agreement.

“Senior Secured Loan Facilities”: the collective reference to the Senior Secured Loan Agreement, any Senior Secured Loan Documents, any notes issued pursuant thereto and any guarantee and collateral agreement, and other instruments and documents executed and delivered pursuant to or in connection with any of the foregoing, in each case as the same may be amended, supplemented or otherwise modified from time to time, or refunded, refinanced, restructured, replaced, renewed, repaid, increased or extended from time to time (whether in whole or in part, whether with the original agent and lenders or other agents and lenders or otherwise, and whether provided under the original Senior Secured Loan Agreement or other credit agreements, indentures or otherwise, unless such agreement expressly provides that it is not intended to be and is not a Senior Secured Loan Facility hereunder).

“Senior Secured Loans”: the loans made pursuant to the Senior Secured Loan Agreement.



“Single Employer Plan”: any Plan (other than a 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 Commonly Controlled Entity 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.

“Solvent”: with respect to any Person, as of any date of determination, (a) the amount of the “present fair saleable value” of the assets of such Person will, as of such date, exceed the amount of all “liabilities of such Person, contingent or otherwise”, as of such date, as such quoted terms are determined in accordance with applicable federal and state laws governing determinations of the solvency of debtors, (b) the present fair saleable value of the assets of such Person will, as of such date, be greater than the amount that will be required to pay the liability of such Person on its debts as such debts become absolute and matured, (c) such Person will not have, as of such date, an unreasonably small amount of capital with which to conduct its business and (d) such Person will be able to pay its debts as they mature. For purposes of this definition, (i) “debt” means liability on a “claim”, (ii) “claim” means any (x) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (y) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured and (iii) except as otherwise provided by applicable law, the amount of “contingent liabilities” at any time shall be the amount thereof which, in light of all the facts and circumstances existing at such time, can reasonably be expected to become actual or matured liabilities.

“Special Mandatory Prepayment”: as defined in Section 2.7.

“Special Purpose Entity”: Booz Allen Hamilton Intellectual Property Holdings, LLC or any other Person formed or organized primarily for the purpose of holding trademarks, service marks, trade names, logos, slogans and/or internet domain names containing the mark “Booz” without the names “Allen” or “Hamilton” and licensing such marks to Booz & Company Inc. and its affiliates.

“Specified Equity Contribution”: as defined in Section 7.2.

“Specified Prepayment Date”: with respect to any Loan to be prepaid pursuant to Section 2.5(b)(ii), the date fixed for such prepayment by or pursuant to this Agreement.

“Specified Representations”: (a) the representations made by the Company in the Merger Agreement as are material to the interests of the Lenders, but only to the extent that the Borrower has the right to terminate its obligations under the Merger Agreement as a result of the breach of such representations and (b) the representations and warranties set forth in Sections 3.2, 3.4(a), 3.4(c), 3.11 and 3.13.

“Spin Off Agreement”: the Spin Off Agreement, dated as of May 15, 2008, by and among the Company, Booz & Company Holdings, LLC, Booz & Company Inc., Booz & Company Intermediate I Inc. and Booz & Company Intermediate II Inc.

“Sponsor”: The Carlyle Group and any Affiliates thereof (but excluding any operating portfolio companies of the foregoing).

“Subsidiary”: as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a

contingency) to elect a majority of the Board of Directors of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person; provided that any joint venture that is not required to be consolidated with the Borrower and its consolidated Subsidiaries in accordance with GAAP shall not be deemed to be a "Subsidiary" for purposes hereof. Unless otherwise qualified, all references to a "Subsidiary," or to "Subsidiaries" in this Agreement shall refer to a direct or indirect Subsidiary or Subsidiaries of the Borrower.

"Subsidiary Guarantors": (a) each Subsidiary other than any Excluded Subsidiary and (b) any other Subsidiary of the Borrower that is a party to the Guarantee Agreement.

"Supermajority Lenders": as defined in Section 9.1(a).

"Surviving Borrower": as defined in the preamble hereto.

"Taxes": all present and future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Test Period": on any date of determination, the period of four consecutive fiscal quarters of the Borrower (in each case taken as one accounting period) most recently ended on or prior to such date for which financial statements have been or are required to be delivered pursuant to Section 5.1.

"Transaction Documents": the Merger Documents, the Loan Documents and the Senior Secured Loan Documents.

"Transactions": (a) the transactions to occur pursuant to the Transaction Documents, (b) the Refinancing and (c) the Company Reorganization.

"Transferee": any Assignee or Participant.

"United States": the United States of America.

"Unrestricted Subsidiary": (i) any Subsidiary of the Borrower designated as such and listed on Schedule 3.14 on the Closing Date and (ii) any Subsidiary of the Borrower that is designated by a resolution of the Board of Directors of the Borrower as an Unrestricted Subsidiary, but only to the extent that, in the case of each of clauses (i) and (ii), such Subsidiary: (a) has no Indebtedness other than Non-Recourse Debt; (b) is not party to any agreement, contract, arrangement or understanding with Holdings, the Borrower or any Restricted Subsidiary unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to Holdings, the Borrower or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of Holdings or the Borrower; (c) is a Person with respect to which neither Holdings, the Borrower nor any of the Restricted Subsidiaries has any direct or indirect obligation (x) to subscribe for additional Capital Stock or warrants, options or other rights to acquire Capital Stock or (y) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; and (d) does not guarantee or otherwise provide credit support after the time of such designation for any Indebtedness of Holdings, the Borrower or any of its Restricted Subsidiaries, in the case of clauses (a), (b) and (c), except to the extent not otherwise prohibited by Section 6. If, at any time, any Unrestricted Subsidiary would fail to meet the foregoing requirements as an Unrestricted Subsidiary, it shall thereafter cease to be an Unrestricted Subsidiary for purposes hereof. Subject to the foregoing, the Borrower may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary or any Restricted Subsidiary

to be an Unrestricted Subsidiary; provided that (i) such designation shall only be permitted if no Default or Event of Default would be in existence following such designation and after giving effect to such designation the Borrower shall be in pro forma compliance with the financial covenants set forth in Section 6.1, (ii) any designation of an Unrestricted Subsidiary as a Restricted Subsidiary shall be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of any outstanding Indebtedness of such Unrestricted Subsidiary and (iii) any designation of a Restricted Subsidiary as an Unrestricted Subsidiary shall be deemed to be an Investment in an Unrestricted Subsidiary and shall reduce amounts available for Investments in Unrestricted Subsidiaries permitted by Section 6.7 in an amount equal to the fair market value of the Subsidiary so designated; provided that the Borrower may subsequently redesignate any such Unrestricted Subsidiary as a Restricted Subsidiary so long as the Borrower does not subsequently re-designate such Restricted Subsidiary as an Unrestricted Subsidiary for a period of the succeeding four fiscal quarters.

“US Lender”: as defined in Section 2.10(e).

1.2 Other Definitional Provisions. (a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the other Loan Documents or any certificate or other document made or delivered pursuant hereto or thereto.

(b) As used herein and in the other Loan Documents, and any certificate or other document made or delivered pursuant hereto or thereto, (i) accounting terms relating to the Borrower and its Subsidiaries not defined in Section 1.1 and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP, (ii) the words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”, and (iii) references to agreements or other Contractual Obligations shall, unless otherwise specified, be deemed to refer to such agreements or Contractual Obligations as amended, supplemented, restated or otherwise modified from time to time.

(c) The words “hereof”, “herein” and “hereunder” and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Annex, Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(d) The term “license” shall include sub-license. The term “documents” includes any and all documents whether in physical or electronic form.

The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

1.3 Pro Forma Calculations. Solely for purposes of determining whether any action is otherwise permitted to be taken hereunder, the Consolidated Total Leverage Ratio and Consolidated Secured Leverage Ratio shall be calculated as follows:

(a) In the event that the Borrower or any Restricted Subsidiary incurs, assumes, guarantees, redeems, retires or extinguishes any Indebtedness subsequent to the commencement of the period for which such ratio is being calculated but prior to or simultaneously with the event for which the calculation of such ratio is made (a “Ratio Calculation Date”), then such ratio shall be calculated giving pro forma effect to such incurrence, assumption, guarantee, redemption, retirement or extinguishment of Indebtedness as if the same had occurred at the beginning of the applicable four-quarter period.

(b) For purposes of making the computation referred to above, if any acquisitions, Dispositions or designations of Unrestricted Subsidiaries or Restricted Subsidiaries are made (or committed to be made pursuant to a definitive agreement) during the four-quarter reference period or subsequent to such reference period and on or prior to or simultaneously with the relevant Ratio Calculation Date, Consolidated EBITDA shall be calculated on a pro forma basis, assuming that all such acquisitions, Dispositions and designations had occurred on the first day of the four-quarter reference period in a manner consistent, where applicable, with the pro forma adjustments set forth in clause (j) of and the last proviso of the first sentence of the definition of "Consolidated EBITDA". If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into the Borrower or any of its Restricted Subsidiaries since the beginning of such period shall have made any acquisition or Disposition, in each case with respect to a business or an operating unit of a business, that would have required adjustment pursuant to this provision, then such ratio shall be calculated giving pro forma effect thereto for such period as if such acquisition or Disposition had occurred at the beginning of the applicable four-quarter period.

## SECTION 2. AMOUNT AND TERMS OF COMMITMENTS

2.1 Commitments. Subject to the terms and conditions hereof, each Lender severally agrees to make a term loan (a "Loan") in Dollars to the Borrower on the Closing Date in an amount which will not exceed the amount of the Commitment of such Lender. The Borrower and the Lenders acknowledge that the Loans funded on the Closing Date will be funded with original issue discount of 1%. Notwithstanding the foregoing, the aggregate outstanding principal amount of the Loans for all purposes of this Agreement and the other Loan Documents shall be the stated principal amount thereof outstanding from time to time. After the making of the Loans to be made hereunder on the Closing Date, any unused Commitments hereunder will terminate on the Closing Date.

2.2 Procedure for Borrowing. The Borrower shall give the Administrative Agent irrevocable written notice (which notice must be received by the Administrative Agent prior to 12:00 Noon, New York City time, one Business Day prior to the anticipated Closing Date) requesting that the Lenders make the Loans on the Closing Date and specifying the amount to be borrowed. Upon receipt of such notice the Administrative Agent shall promptly notify each Lender thereof. Not later than 11:00 A.M., New York City time, on the Closing Date each Lender shall make available to the Administrative Agent at the Funding Office an amount in immediately available funds equal to the Loan to be made by such Lender. The Administrative Agent shall credit the account designated in writing by the Borrower to the Administrative Agent with the aggregate of the amounts made available to the Administrative Agent by the Lenders in immediately available funds.

2.3 Repayment of Loans. (a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of the appropriate Lender (i) the then unpaid principal amount (including, for the avoidance of doubt, all PIK Interest Amounts, if any, that have been added to such principal amount) of each Loan of such Lender made to the Borrower outstanding on the Maturity Date (or on such earlier date on which the Loans become due and payable pursuant to Section 7.1). The Borrower hereby further agrees to pay interest on the unpaid principal amount (including, for the avoidance of doubt, all PIK Interest Amounts, if any, that have been added to such principal amount) of the Loans made to the Borrower from time to time outstanding from the date made until payment in full thereof at the rates per annum, and on the dates, set forth in Section 2.8.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing indebtedness of the Borrower to such Lender resulting from each Loan of such

Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement.

(c) The Administrative Agent, on behalf of the Borrower, shall maintain the Register pursuant to Section 9.6(b)(iv), and a subaccount therein for each Lender, in which shall be recorded (i) the amount of each Loan made hereunder and any Note evidencing such Loan, (ii) the amount of any principal, interest and fees, as applicable, due and payable or to become due and payable from the Borrower to each Lender hereunder, (iii) each payment of a PIK Interest Amount pursuant to Section 2.8, (iv) each interest election made pursuant to Section 2.8 and (v) the amount of any sum received by the Administrative Agent hereunder from the Borrower and each Lender's share thereof.

(d) The entries made in the Register and the accounts of each Lender maintained pursuant to Section 2.3(c) shall, to the extent permitted by applicable law, be presumptively correct absent demonstrable error of the existence and amounts of the obligations of the Borrower therein recorded; provided, however, that the failure of the Administrative Agent or any Lender to maintain the Register or any such account, or any error therein, shall not in any manner affect the obligation of the Borrower to repay (with applicable interest) the Loans made to the Borrower by such Lender in accordance with the terms of this Agreement.

2.4 Administrative Fees. The Borrower agrees to pay to the Administrative Agent the fees in the amounts and on the dates as set forth in any fee agreements with the Administrative Agent.

2.5 Optional Prepayments. (a) The Borrower may at any time and from time to time prepay the Loans, in whole or in part, without premium or penalty except as specifically provided in Sections 2.5(b) and (c), upon irrevocable written notice delivered to the Administrative Agent no later than 12:00 Noon, New York City time, three Business Days prior thereto, which notice shall specify the date and amount of prepayment. Upon receipt of any such notice the Administrative Agent shall promptly notify each Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein (provided that such notice may be conditioned on receiving the proceeds of any refinancing), together with accrued interest to such date on the amount prepaid. Partial prepayments of Loans shall be in an aggregate principal amount of \$1,000,000 or a whole multiple of \$100,000 in excess thereof, and in each case shall be subject to the provisions of Section 2.9.

(b) (i) Prior to the fourth anniversary of the Closing Date, each prepayment of the Loans made pursuant to Section 2.5(a) shall be made together with a prepayment premium in an amount equal to (A) if such prepayment is made on or after the third anniversary of the Closing Date but prior to the fourth anniversary of the Closing Date, 1.0% of the principal amount prepaid and (B) if such prepayment is made on or after the second anniversary of the Closing Date but prior to the third anniversary of the Closing Date, 2.0%.

(ii) Prior to the second anniversary of the Closing Date, each prepayment of the Loans made pursuant to Section 2.5(a) shall be made together with a prepayment premium in an amount equal to the Applicable Make-Whole Premium. No prepayment premium shall be payable in respect of any prepayment made on or after the fourth anniversary of the Closing Date.

(c) Notwithstanding the foregoing (but subject to the notice requirements set forth in Section 2.5(a)), prior to the second anniversary of the Closing Date, the Borrower may prepay Loans in an aggregate principal amount not to exceed 40% of the stated aggregate principal amount of Loans made on the Closing Date with all or a portion of the Net Cash Proceeds from one or more Holdings IPOs; provided, however, that any such prepayment pursuant to this Section 2.5(c), (i) shall be made together

with a prepayment premium in an amount equal to 5.0% of the principal amount prepaid and (ii) shall occur within 90 days of the closing of the related Holdings IPO.

(d) Notwithstanding anything to the contrary contained in this Section 2.5 or any other provision of this Agreement and without otherwise limiting the rights in respect of prepayments of the Loans of the Borrower and its Subsidiaries, so long as no Default has occurred and is continuing, the Borrower or any Subsidiary of the Borrower may repurchase outstanding Loans pursuant to this Section 2.5(d) on the following basis:

(i) Holdings, the Borrower or any Subsidiary of the Borrower may make one or more offers (each, an “Offer”) to repurchase all or any portion of the Loans (such Loans, the “Offer Loans”) of Lenders; provided that, (A) Holdings, the Borrower or such Subsidiary delivers a notice of such Offer to the Administrative Agent and all Lenders no later than noon (New York City time) at least five Business Days in advance of a proposed consummation date of such Offer indicating (1) the last date on which such Offer may be accepted, (2) the maximum dollar amount of such Offer, (3) the repurchase price per dollar of principal amount of such Offer Loans at which Holdings, the Borrower or such Subsidiary is willing to repurchase such Offer Loans and (4) the instructions, consistent with this Section 2.5(d) with respect to the Offer, that a Lender must follow in order to have its Offer Loans repurchased; (B) the maximum dollar amount of each Offer shall be no less than \$10,000,000; (C) Holdings, the Borrower or such Subsidiary shall hold such Offer open for a minimum period of two Business Days; (D) a Lender who elects to participate in the Offer may choose to sell all or part of such Lender’s Offer Loans; and (E) such Offer shall be made to Lenders holding the Offer Loans on a pro rata basis in accordance with the respective principal amount then due and owing to the Lenders; provided, further that, if any Lender elects not to participate in the Offer, either in whole or in part, the amount of such Lender’s Offer Loans not being tendered shall be excluded in calculating the pro rata amount applicable to the balance of such Offer Loans;

(ii) With respect to all repurchases made by Holdings, the Borrower or a Subsidiary of the Borrower, such repurchases shall be deemed to be voluntary prepayments pursuant to this Section 2.5 in an amount equal to the aggregate principal amount of such Loans, provided that such repurchases shall not be subject to the provisions of paragraphs (a) and (b) of this Section 2.5 or Section 2.9;

(iii) Following repurchase by Holdings, the Borrower or any Subsidiary of the Borrower, (A) all principal and accrued and unpaid interest on the Loans so repurchased shall be deemed to have been paid for all purposes and no longer outstanding (and may not be resold by Holdings, the Borrower or such Subsidiary), for all purposes of this Agreement and all other Loan Documents and (B) Holdings, the Borrower or any Subsidiary of the Borrower, as the case may be, will promptly advise the Administrative Agent of the total amount of Offer Loans that were repurchased from each Lender who elected to participate in the Offer; and

(iv) Failure by Holdings, the Borrower or a Subsidiary of the Borrower to make any payment to a Lender required by an agreement permitted by this Section 2.5(d) shall not constitute an Event of Default under Section 7.1(a).

**2.6 Change of Control Offer.** (a) Upon the occurrence of a Change of Control, each Lender shall have the right to require that the Borrower prepay such Lender’s Loans at a price in cash equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of prepayment (subject to the right of Lenders to receive interest on the relevant Interest Payment Date), in accordance with the terms contemplated in Section 2.6(b). In the event that at the time of such Change of

Control the terms of the Senior Secured Loan Facilities restrict or prohibit the prepayment of Loans pursuant to this Section, then prior to the mailing of the notice to Lenders provided for in Section 2.6(b) below but in any event within 30 days following any Change of Control, the Borrower shall, unless otherwise agreed by the Supermajority Lenders, (i) repay in full all such Senior Secured Loans and terminate the Senior Secured Loan Agreement or (ii) obtain the requisite consent under the Senior Secured Loan Facilities to permit the prepayment of the Loans as provided for in Section 2.6(b).

- (b) Within 30 days following any Change of Control, the Borrower shall mail a notice to the Administrative Agent (which shall promptly inform each Lender) (the “Change of Control Offer”) stating:
- (i) that a Change of Control has occurred and that each Lender has the right to require the Borrower to prepay such Lender’s Loans at a prepayment price in cash equal to 101% of the principal amount thereof on the date of prepayment, plus accrued and unpaid interest, if any, to the date of prepayment (subject to the right of Lenders to receive interest on the relevant Interest Payment Date);
  - (ii) the circumstances and relevant facts regarding such Change of Control (including information with respect to pro forma historical income, cash flow and capitalization, in each case after giving effect to such Change of Control);
  - (iii) the prepayment date (which shall be no earlier than 10 days nor later than 30 days from the date such notice is mailed); and
  - (iv) the instructions, as determined by the Borrower, consistent with this Section, that a Lender must follow in order to have its Loans prepaid.

(c) Lenders electing to have a Loan prepaid will be required to execute an appropriate form duly completed, to the Administrative Agent. Lenders will be entitled to withdraw their election if the Administrative Agent receives not later than three Business Days prior to the prepayment date, a facsimile transmission or letter setting forth the name of the Lender, the principal amount of Loans which was requested to be prepaid by the Lender and a statement that such Lender is withdrawing its election to have such Loans prepaid.

(d) On the prepayment date, the Borrower shall prepay the Loans of all Lenders who accept the Change of Control Offer at a prepayment price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of prepayment.

(e) Notwithstanding the foregoing provisions of this Section, the Borrower shall not be required to make a Change of Control Offer following a Change of Control if (i) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Section applicable to a Change of Control Offer made by the Borrower and prepays all Loans as to which offers for prepayment have been validly accepted and not withdrawn under such Change of Control Offer or (ii) the Borrower optionally prepays the Loans pursuant to Section 2.5 prior to the applicable Change of Control prepayment date.

2.7 Special Mandatory Prepayment. If the aggregate amount which would be includible in gross income for federal income tax purposes with respect to the Loans before the close of any “accrual period” (as defined in Section 1272(a)(5) of the Code and Treasury Regulation Section 1.1272-1(b)(1)(ii)) ending after five years from the Closing Date (the “Aggregate Inclusion”) exceeds an amount equal to the sum of (x) the aggregate amount of interest to be paid in cash under the Loans before the close of such

accrual period and (y) the product of the issue price of the Loans (as determined under Section 1273(b) of the Code) multiplied by the yield to maturity of the Loans (as determined for purposes of applying Section 163(i) of the Code) (the sum of (x) and (y)), the "Adjusted Actual Payment"), the Borrower shall, before the close of any such accrual period, make a mandatory prepayment in cash (any such prepayment, a "Special Mandatory Prepayment") on the Loans in an amount equal to the amount by which the Aggregate Inclusion as of such time exceeds the Adjusted Actual Payment. Such Special Mandatory Prepayment will be applied against and reduce the principal amount of the Loans outstanding at such time, but will be taken into account as payments of interest for purposes of calculating any subsequent Special Mandatory Prepayments. The Lenders and the Borrower intend that the Special Mandatory Prepayments be sufficient to result in the Loans being treated as not having "significant original issue discount" within the meaning of Section 163(i)(2) of the Code, and this paragraph shall be interpreted in a manner consistent with such intent.

**2.8 Interest Rates, Payment Dates; Computation of Interest and Fees.** (a) Subject to the paragraph (b) of this Section 2.8, the Loans shall bear interest (computed on the basis of the actual number of days elapsed over a year of 360 days) at a rate per annum equal to 13.00%. Not less than 3 Business Days prior to the commencement of each Interest Period, the Borrower may elect by delivery of a written notice to the Administrative Agent to pay interest in excess of 11.00% per annum (or any portion of such excess interest (other than interest due under Section 2.8(b))) on the Interest Payment Date for such Interest Period through the addition of such amount (the "PIK Interest Amount") to the then-outstanding aggregate principal amount of the Loans. For all purposes under this Agreement, all PIK Interest Amounts shall be treated as principal amounts of the Loans and all references in this Agreement to Loans shall include PIK Interest Amounts. PIK Interest Amounts shall be allocated ratably to the principal amounts of the Loans of each Lender in accordance with the aggregate principal amount of outstanding Loans of such Lender. The Administrative Agent shall promptly deliver to each Lender any notice so received by the Borrower. In the absence of such an election for any such Interest Period, interest on the Loans shall be payable entirely in cash for such Interest Period. With respect to the Interest Period commencing on the Closing Date, the Borrower will be deemed to have elected to pay all interest for such Interest Period in cash.

(b) (i) If all or a portion of the principal amount of, or any interest payable on, any Loan or any other amount shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to the rate that would otherwise be applicable thereto pursuant to the foregoing provisions of this Section 2.8 plus 2% (all of which shall be payable in cash), in each case from the date of such non-payment until such amount is paid in full (after as well as before judgment).

(c) Interest shall be payable by the Borrower in arrears on each Interest Payment Date; provided that interest accruing pursuant to paragraph (b) of this Section 2.8 shall be payable from time to time on demand.

**2.9 Pro Rata Treatment and Payments.** (a) Each payment or prepayment in respect of principal or interest (including any PIK Interest Amount) in respect of the Loans shall be applied to the amounts of such obligations owing to the Lenders, pro rata according to the respective amounts then due and owing to such Lenders, other than payments pursuant to Section 2.5(d) or 2.12.

(b) All payments (including prepayments) to be made by the Borrower hereunder, whether on account of principal, interest, fees or otherwise, shall be made without setoff, deduction or counterclaim and shall be made prior to 2:00 P.M., New York City time, on the due date thereof to the Administrative Agent, for the account of the Lenders, at the Funding Office, in immediately available funds. Any payment received by the Administrative Agent after 2:00 P.M., New York City time may be



considered received on the next Business Day in the Administrative Agent's sole discretion. The Administrative Agent shall distribute such payments to the relevant Lenders promptly upon receipt in like funds as received. If any payment hereunder becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day. In the case of any extension of any payment of principal pursuant to the preceding sentence, interest thereon shall be payable at the then applicable rate during such extension.

(c) Unless the Administrative Agent shall have been notified in writing by any Lender prior to a borrowing that such Lender will not make the amount that would constitute its share of such borrowing available to the Administrative Agent, the Administrative Agent may assume that such Lender is making such amount available to the Administrative Agent, and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower a corresponding amount. If such amount is not made available to the Administrative Agent by the required time on the Closing Date, such Lender shall pay to the Administrative Agent on demand, such amount with interest thereon, at a rate equal to the greater of (i) the Federal Funds Effective Rate and (ii) a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, for the period until such Lender makes such amount immediately available to the Administrative Agent. A certificate of the Administrative Agent submitted to any Lender with respect to any amounts owing under this paragraph shall be presumptively correct in the absence of demonstrable error. If such Lender's share of such borrowing is not made available to the Administrative Agent by such Lender within three Business Days after the Closing Date, the Administrative Agent shall give notice of such fact to the Borrower and the Administrative Agent shall also be entitled to recover such amount with interest thereon at the rate per annum applicable to the Loans, on demand, from the Borrower. Nothing herein shall be deemed to limit the rights of the Administrative Agent or the Borrower against any defaulting Lender.

(d) Unless the Administrative Agent shall have been notified in writing by the Borrower prior to the date of any payment due to be made by the Borrower hereunder that the Borrower will not make such payment to the Administrative Agent, the Administrative Agent may assume that the Borrower is making such payment, and the Administrative Agent may, but shall not be required to, in reliance upon such assumption, make available to the relevant Lenders their respective pro rata shares of a corresponding amount. If such payment is not made to the Administrative Agent by the Borrower within three Business Days after such due date, the Administrative Agent shall be entitled to recover, on demand, from each relevant Lender to which any amount which was made available pursuant to the preceding sentence, such amount with interest thereon at the rate per annum equal to the daily average Federal Funds Effective Rate. Nothing herein shall be deemed to limit the rights of the Administrative Agent or any Lender against the Borrower.

2.10 Taxes. (a) Except as otherwise provided in this Agreement or as required by law, all payments made by the Borrower or any Loan Party under this Agreement and the other Loan Documents to the Administrative Agent or any Lender under this Agreement shall be made free and clear of, and without deduction or withholding for or on account of, any Taxes, excluding (i) net income Taxes, net profits Taxes, and franchise Taxes (and net worth Taxes and capital Taxes imposed in lieu of net income Taxes) imposed on the Administrative Agent or any Lender (A) by the jurisdiction (or any political subdivision thereof) under the laws of which the Administrative Agent or any Lender (or, in the case of a pass-through entity, any of its beneficial owners) is organized or in which its applicable lending office is located or (B) as a result of a present or former connection between the Administrative Agent or such Lender or beneficial owner and the jurisdiction of the Governmental Authority imposing such Tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Administrative Agent or such Lender having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement or any other Loan Document) and (ii) any branch profits or backup withholding Taxes imposed by the United States or any similar Tax

imposed by any other jurisdiction in which the applicable Borrower or any Loan Party under this Agreement and the other Loan Documents is located or is deemed to be doing business. If any such non-excluded Taxes ("Non-Excluded Taxes") or Other Taxes are required to be withheld from any amounts payable by the Borrower or any Loan Party under this Agreement and the other Loan Documents to the Administrative Agent or any Lender hereunder, the amounts so payable to the Administrative Agent or such Lender shall be increased to the extent necessary to yield to the Administrative Agent or such Lender (after deduction or withholding of all Non-Excluded Taxes and Other Taxes including Non-Excluded Taxes attributable to amounts payable under this Section 2.10(a)) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement; provided, however, that the Borrower or any Loan Party under this Agreement and the other Loan Documents shall not be required to increase any such amounts payable to or in respect of any Lender with respect to any Non-Excluded Taxes (i) that are attributable to such Lender's (or, in the case of a pass-through entity, any of its beneficial owners') failure to comply with the requirements of paragraph (d) or (e), as applicable, of this Section 2.10 or (ii) that are withholding Taxes imposed on amounts payable under this Agreement or the other Loan Documents, unless such Taxes are imposed as a result of a Change in Law occurring after such Lender becomes a party hereto or as a result of any change in facts, occurring after such Lender becomes a party hereto, that is not attributable to the Lender, except (in the case of an assignment) to the extent that such Lender's assignor (if any) was entitled, at the time of such assignment, to receive additional amounts from the Borrower or any Loan Party under this Agreement and the other Loan Documents with respect to such Taxes pursuant to this paragraph.

(b) In addition, the Borrower or any Loan Party under this Agreement and the other Loan Documents shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Whenever any Non-Excluded Taxes or Other Taxes are payable by the Borrower and any Loan Party under this Agreement and the other Loan Documents, as promptly as possible thereafter the Borrower shall send to the Administrative Agent for the account of the Administrative Agent or Lender, as the case may be, a certified copy of an original official receipt received by the Borrower showing payment thereof if such receipt is obtainable, or, if not, such other evidence of payment as may reasonably be required by the Administrative Agent or such Lender. If the Borrower or any Loan Party under this Agreement and the other Loan Documents fails to pay any Non-Excluded Taxes or Other Taxes that the Borrower or any Loan Party under this Agreement and the other Loan Documents is required to pay pursuant to this Section 2.10 (or in respect of which the Borrower or any Loan Party under this Agreement and the other Loan Documents would be required to pay increased amounts pursuant to Section 2.10(a) if such Non-Excluded Taxes or Other Taxes were withheld) when due to the appropriate taxing authority or fails to remit to the Administrative Agent the required receipts or other required documentary evidence, the Borrower or any Loan Party under this Agreement and the other Loan Documents shall indemnify the Administrative Agent and the Lenders for any payments by them of such Non-Excluded Taxes or Other Taxes and for any incremental taxes, interest or penalties that become payable by the Administrative Agent or any Lender as a result of any such failure within thirty days after the Lender or the Administrative Agent delivers to the Borrower (with a copy to the Administrative Agent) either (a) a copy of the receipt issued by a Governmental Authority evidencing payment of such Taxes or (b) certificates as to the amount of such payment or liability prepared in good faith.

(d) Each Lender (and, in the case of a pass-through entity, each of its beneficial owners) that is not a United States person (as such term is defined in Section 7701(a)(30) of the Code) (a "Non-US Lender") shall deliver to the Borrower and the Administrative Agent (or, in the case of a Participant, to the Borrower and to the Lender from which the related participation shall have been purchased) (i) two accurate and complete copies of IRS Form W-8ECI or W-8BEN, or, (ii) in the case of a Non-US Lender claiming exemption from United States federal withholding tax under Section 871(h) or 881(c) of the

Code with respect to payments of "portfolio interest", a statement substantially in the form of Exhibit F and two accurate and complete copies of IRS Form W-8BEN, or any subsequent versions or successors to such forms, in each case properly completed and duly executed by such Non-US Lender claiming complete exemption from, or a reduced rate of, United States federal withholding tax on all payments by the Borrower or any Loan Party under this Agreement and the other Loan Documents. Such forms shall be delivered by each Non-US Lender on or before the date it becomes a party to this Agreement (or, in the case of any Participant, on or before the date such Participant purchases the related participation). In addition, each Non-US Lender shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such Non-US Lender. Each Non-US Lender shall (i) promptly notify the Borrower at any time it determines that it is no longer in a position to provide any previously delivered certificate to the Borrower (or any other form of certification adopted by the United States taxing authorities for such purpose) and (ii) take such steps as shall not be disadvantageous to it, in its reasonable judgment, and as may be reasonably necessary (including the re-designation of its lending office pursuant to Section 2.11) to avoid any requirement of applicable laws of any such jurisdiction that the Borrower or any Loan Party make any deduction or withholding for taxes from amounts payable to such Lender. Notwithstanding any other provision of this paragraph, a Non-US Lender shall not be required to deliver any form pursuant to this paragraph that such Non-US Lender is not legally able to deliver.

(e) Each Lender (and, in the case of a Lender that is a non-United States pass-through entity, each of its beneficial owners) that is a United States person (as such term is defined in Section 7701(a)(30) of the Code) (a "US Lender") shall deliver to the Borrower and the Administrative Agent two accurate and complete copies of IRS Form W-9, or any subsequent versions or successors to such form and certify that such lender is not subject to backup withholding. Such forms shall be delivered by each US Lender on or before the date it becomes a party to this Agreement. In addition, each US Lender shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such US Lender. Each US Lender shall promptly notify the Borrower at any time it determines that it is no longer in a position to provide any previously delivered certifications to the Borrower (or any other form of certification adopted by the United States taxing authorities for such purpose).

(f) If the Administrative Agent or any Lender determines, in good faith, that it has received a refund of any Non-Excluded Taxes or Other Taxes as to which it has been indemnified by the Borrower or any Loan Party or with respect to which the Borrower or any Loan Party has paid additional amounts pursuant to this Section 2.10, it shall promptly pay over such refund to the Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower or any Loan Party under this Section 2.10 with respect to the Non-Excluded Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided that the Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority; provided, further, that the Borrower shall not be required to repay to the Administrative Agent or the Lender an amount in excess of the amount paid over by such party to the Borrower pursuant to this Section 2.10. This paragraph shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Borrower or any other Person. In no event will the Administrative Agent or any Lender be required to pay any amount to the Borrower the payment of which would place the Administrative Agent or such Lender in a less favorable net after-tax position than the Administrative Agent or such Lender would have been in if the additional amounts giving rise to such refund of any Non-Excluded Taxes or Other Taxes

had never been paid. The agreements in this Section 2.10 shall survive the termination of this Agreement and the payment of the Obligations.

2.11 Change of Lending Office. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 2.10(a) with respect to such Lender, it will, if requested by the Borrower, use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans affected by such event with the object of avoiding the consequences of such event; provided that such designation is made on terms that, in the good faith judgment of such Lender, cause such Lender and its lending office(s) to suffer no material economic, legal or regulatory disadvantage and; provided, further, that nothing in this Section 2.11 shall affect or postpone any of the obligations of the Borrower or the rights of any Lender pursuant to Section 2.10(a).

2.12 Replacement of Lenders. The Borrower shall be permitted to (a) replace with a financial institution or financial institutions, or (b) prepay, subject to any applicable premium required by Section 2.5, the Loans of, any Lender that (i) requests reimbursement for amounts owing or otherwise results in increased costs imposed on the Borrower or on account of which the Borrower is required to pay additional amounts to any Governmental Authority pursuant to Section 2.10; (ii) has refused to consent to any waiver or amendment with respect to any Loan Document that requires such Lender's consent and has been consented to by the Required Lenders; or (iii) becomes the subject of a bankruptcy or insolvency proceeding; provided that, in the case of a replacement pursuant to clause (a) above, (A) such replacement does not conflict with any Requirement of Law, (B) the replacement financial institution or financial institutions shall purchase, (x) until the second anniversary of the Closing Date, at a price equal to 102% of the principal amount of the Loans being purchased, and (y) thereafter, at par plus any premium that would have been required to be paid at the time by the Borrower were the Borrower to make a voluntary prepayment of such Loans pursuant to Section 2.5, all Loans, and, in each case, other amounts owing to such replaced Lender on or prior to the date of replacement; provided, that the Borrower may pay any premium owed under this clause (B) on behalf of such replacement financial institution or financial institutions, (C) the replacement financial institution or financial institutions, (x) if not already a Lender, shall be reasonably satisfactory to the Administrative Agent to the extent that an assignment to such replacement financial institution of the rights and obligations being acquired by it would otherwise require the consent of the Administrative Agent pursuant to Section 9.6(b)(i)(B) and (y) shall pay (unless otherwise paid by the Borrower) any processing and recordation fee required under Section 9.6(b)(ii)(B), (D) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 9.6, (E) if applicable, the replacement financial institution or financial institutions shall consent to such amendment or waiver and (F) any such replacement shall not be deemed to be a waiver of any rights that the Borrower, the Administrative Agent or any other Lender shall have against the replaced Lender. Prepayments pursuant to clause (b) above (i) shall be accompanied by accrued and unpaid interest on the principal amount so prepaid up to the date of such prepayment and (ii) shall not be subject to the provisions of Section 2.9.

### SECTION 3. REPRESENTATIONS AND WARRANTIES

To induce the Agent and the Lenders to enter into this Agreement and to make the Loans, Holdings (to the extent applicable) and the Borrower hereby jointly represent and warrant (as to itself and each of its Restricted Subsidiaries) to the Agent and each Lender, which representations and warranties shall be deemed made on the Closing Date (to the extent relating to Holdings or the Initial Borrower, immediately before giving effect to the Merger Transactions and to the extent relating to Holdings, the Surviving Borrower or any Restricted Subsidiary, immediately after giving effect to the Merger Transactions) that:

3.1 Financial Condition. (a) The audited consolidated balance sheet of the Company and its Subsidiaries as at March 31, 2006, March 31, 2007 and March 31, 2008, and the related statements of income and of cash flows for the fiscal years ended on such dates, in each case with consolidating schedules for the U.S. government business of the Company and the other businesses of the Company reported on by and accompanied by an unqualified report from Ernst & Young LLP, present fairly in all material respects the financial condition of the Company and its Subsidiaries as at such date, and the results of, their operations, their cash flows and their changes in stockholders' equity for the respective fiscal years then ended. All such financial statements, including the related schedules and notes thereto and year end adjustments, have been prepared in accordance with GAAP (except as otherwise noted therein).

(b) The pro forma consolidated balance sheet of the Borrower and its Subsidiaries as of June 30, 2008 (i) has been prepared in good faith based on assumptions that are believed by the Borrower to be reasonable at the time made (it being understood that such assumptions are based on good faith estimates with respect to certain items and that the actual amounts of such items on the Closing Date is subject to variation)), (ii) accurately reflects all adjustments necessary to give effect to the Transactions and (iii) presents fairly, in all material respects, the pro forma financial position of the Borrower and its Subsidiaries as of June 30, 2008, as if the Transactions had occurred on such date; provided that such pro forma balance sheet has been prepared without giving effect to all purchase accounting or similar adjustments.

3.2 No Change. As of the Closing Date, there has been no event, circumstance, development, change or effect that has had a Closing Date Material Adverse Effect since the date of the Merger Agreement.

3.3 Existence; Compliance with Law. Except as set forth in Schedule 3.3, each of Holdings, the Borrower and its Restricted Subsidiaries (other than any Immaterial Subsidiaries) (a) (i) is duly organized (or incorporated), validly existing and in good standing (or, only where if applicable, the equivalent status in any foreign jurisdiction) under the laws of the jurisdiction of its organization or incorporation, (ii) has the corporate or organizational power and authority, and the legal right, to own and operate its Property, to lease the Property it operates as lessee and to conduct the business in which it is currently engaged, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect and (iii) is duly qualified as a foreign corporation or limited liability company and in good standing (where such concept is relevant) under the laws of each jurisdiction where its ownership, lease or operation of Property or the conduct of its business requires such qualification except, in each case, to the extent that the failure to be so qualified or in good standing (where such concept is relevant) would not have a Material Adverse Effect and (b) is in compliance with all Requirements of Law except to the extent that any such failure to comply therewith would not have a Material Adverse Effect.

3.4 Corporate Power; Authorization; Enforceable Obligations. (a) Each Loan Party has the corporate power and authority to make, deliver and perform the Loan Documents to which it is a party and, in the case of the Borrower, to borrow hereunder. Each Loan Party has taken all necessary corporate or other action to authorize the execution, delivery and performance of the Loan Documents to which it is a party and, in the case of the Borrower, to authorize the extensions of credit on the terms and conditions of this Agreement.

(b) No consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority is required in connection with the extensions of credit hereunder or the execution, delivery, performance, validity or enforceability of this Agreement or any of the other Loan Documents, except consents, authorizations, filings and notices described in Schedule 3.4, which

consents, authorizations, filings and notices have been obtained or made and are in full force and effect or the failure to obtain which would not reasonably be expected to have a Material Adverse Effect.

(c) Each Loan Document has been duly executed and delivered on behalf of each Loan Party that is a party thereto. This Agreement constitutes, and each other Loan Document upon execution will constitute, a legal, valid and binding obligation of each Loan Party that is a party thereto, enforceable against each such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law) and the implied covenants of good faith and fair dealing.

3.5 No Legal Bar. The execution, delivery and performance of this Agreement and the other Loan Documents by the Loan Parties thereto, the borrowings hereunder and the use of the proceeds thereof will not (a) violate the organizational or governing documents of the Loan Parties, (b) except as would not reasonably be expected to have a Material Adverse Effect, violate any Requirement of Law binding on the Borrower or any of its Restricted Subsidiaries or any Contractual Obligation of Holdings, the Borrower or any of its Restricted Subsidiaries or (c) except as would not have a Material Adverse Effect, result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to any Requirement of Law or any such Contractual Obligation (other than the Liens permitted by Section 6.3).

3.6 No Material Litigation. Except as set forth in Schedule 3.6, no litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of the Borrower, likely to be commenced within a reasonable time period against the Borrower or any of its Restricted Subsidiaries or against any of their Properties which, taken as a whole, would reasonably be expected to have a Material Adverse Effect.

3.7 No Default. No Default or Event of Default has occurred and is continuing (other than, on the Closing Date, as a result of a breach of any representation or warranty other than any Specified Representation).

3.8 Ownership of Property; Liens. Except as set forth in Schedule 3.8A, each of the Borrower and its Restricted Subsidiaries has good title in fee simple to, or a valid leasehold interest in, all its Real Property, and good title to, or a valid leasehold interest in, all its other Property (other than Intellectual Property), in each case, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect, and none of such Property is subject to any Lien except as permitted by the Loan Documents. Schedule 3.8B lists all Real Property which is owned or leased by any Loan Party as of the Closing Date.

3.9 Intellectual Property. Each of the Borrower and its Restricted Subsidiaries owns, or has a valid license to use, all Intellectual Property necessary for the conduct of its business as currently conducted free and clear of all Liens except as permitted by the Senior Secured Loan Documents, other than Intellectual Property owned by a Special Purpose Entity, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect. To the Borrower's knowledge, no holding, injunction, decision or judgment has been rendered by any Governmental Authority against the Borrower or any Restricted Subsidiary and neither the Borrower nor any of its Restricted Subsidiaries has entered into any settlement stipulation or other agreement (except license agreements in the ordinary course of business) which would limit, cancel or question the validity of the Borrower's or any Restricted Subsidiary's rights in, any Intellectual Property in any respect that would reasonably be expected to have a Material Adverse Effect. To Borrower's knowledge, no claim has been asserted or threatened or is pending by any Person challenging or questioning the use by the Borrower or its Restricted Subsidiaries

of any Intellectual Property owned by the Borrower or any of its Restricted Subsidiaries or the validity or effectiveness of any Intellectual Property, except as would not reasonably be expected to have a Material Adverse Effect. To the Borrower's knowledge, the use of Intellectual Property by the Borrower and its Restricted Subsidiaries does not infringe on the rights of any Person in a manner that would reasonably be expected to have a Material Adverse Effect. The Borrower and its Restricted Subsidiaries take all reasonable actions that in the exercise of their reasonable business judgment should be taken to protect their Intellectual Property, including Intellectual Property that is confidential in nature, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

3.10 Taxes. Each of Holdings, the Borrower and its Restricted Subsidiaries (i) has filed or caused to be filed all federal, state, provincial and other tax returns that are required to be filed and (ii) has paid all taxes shown to be due and payable on said returns and all other taxes, fees or other charges imposed on it or any of its Property by any Governmental Authority (other than any the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which any reserves required in conformity with GAAP have been provided on the books of the Borrower or such Restricted Subsidiary, as the case may be), except in each case where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

3.11 Federal Regulations. No part of the proceeds of any Loans, and no other extensions of credit hereunder, will be used for any purpose that violates the provisions of the regulations of the Board. If requested by any Lender (through the Administrative Agent) or the Administrative Agent, the Borrower will furnish to the Administrative Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form G-3 or FR Form U-1 referred to in Regulation U.

3.12 ERISA. (a) Except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect: (i) neither a Reportable Event nor a failure to meet the minimum funding standards (within the meaning of Section 412(a) of the Code or Section 302(a)(2) of ERISA) with respect to periods beginning on or after January 1, 2008 or an "accumulated funding deficiency" (within the meaning of Section 412(a) of the Code or Section 302(a)(2) of ERISA) has occurred during the five-year period prior to the date on which this representation is made with respect to any Single Employer Plan, and each Single Employer Plan has complied with the applicable provisions of ERISA and the Code; (ii) no termination of a Single Employer Plan has occurred, and no Lien in favor of the PBGC or a Plan has arisen on the assets of Holdings, the Borrower or any of its Restricted Subsidiaries, during such five-year period; the present value of all accrued benefits under each Single Employer Plan (based on those assumptions used to fund such Plans) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Single Employer Plan allocable to such accrued benefits; (iii) none of Holdings, the Borrower or any of its Restricted Subsidiaries has had a complete or partial withdrawal from any Multiemployer Plan that has resulted or would reasonably be expected to result in a liability under ERISA; (iv) none of Holdings, the Borrower or any of its Restricted Subsidiaries would become subject to any liability under ERISA if the Borrower or such Restricted Subsidiary were to withdraw completely from all Multiemployer Plans as of the valuation date most closely preceding the date on which this representation is made; and (v) no Multiemployer Plan is in Reorganization or Insolvent.

(b) Holdings, the Borrower and its Restricted Subsidiaries have not incurred, and do not reasonably expect to incur, any liability under ERISA or the Code with respect to any plan within the meaning of Section 3(3) of ERISA which is subject to Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA that is maintained by a Commonly Controlled Entity (other than Holdings, the Borrower and its Restricted Subsidiaries) (a "Commonly Controlled Plan") merely by virtue of being treated as a single employer under Title IV of ERISA with the sponsor of such plan that would reasonably

be likely to have a Material Adverse Effect and result in a direct obligation of Holdings, the Borrower or any of its Restricted Subsidiaries to pay money.

3.13 Investment Company Act. No Loan Party is an “investment company”, or a company “controlled” by an “investment company”, within the meaning of the Investment Company Act of 1940, as amended.

3.14 Subsidiaries. (a) The Subsidiaries listed on Schedule 3.14 constitute all the Subsidiaries of the Borrower at the date of this Agreement (and after giving effect to the Merger Transactions and, to the extent applicable, the Company Reorganization). Schedule 3.14 sets forth as of the Closing Date the name and jurisdiction of incorporation of each Subsidiary and, as to each Subsidiary, the percentage of each class of Capital Stock owned by any Loan Party and the designation of such Subsidiary as a Restricted Subsidiary or an Unrestricted Subsidiary.

(b) As of the Closing Date (and after giving effect to the Merger Transactions and, to the extent applicable, the Company Reorganization), except as set forth on Schedule 3.14 or as otherwise contemplated by the Merger Agreement, there are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments (other than stock options granted to officers, employees or directors and directors’ qualifying shares) of any nature relating to any Capital Stock of the Borrower or any of its Restricted Subsidiaries.

3.15 Environmental Matters. Other than exceptions to any of the following that would not reasonably be expected to have a Material Adverse Effect, none of the Borrower or any of its Restricted Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law for the operation of the Business; or (ii) has become subject to any Environmental Liability.

3.16 Accuracy of Information, etc. As of the Closing Date, no statement or information (excluding the projections and pro forma financial information referred to below) contained in this Agreement, any other Loan Document or any certificate furnished to the Administrative Agent or the Lenders or any of them, by or on behalf of any Loan Party for use in connection with the transactions contemplated by this Agreement or the other Loan Documents when taken as a whole, contained as of the date such statement, information, or certificate was so furnished, any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, not materially misleading. As of the Closing Date, the projections and pro forma financial information contained in the materials referenced above are based upon good faith estimates and assumptions believed by management of the Borrower to be reasonable at the time made, in light of the circumstances under which they were made, it being recognized by the Agents and the Lenders that such financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial information may differ from the projected results set forth therein by a material amount.

3.17 Solvency. As of the Closing Date, the Loan Parties are (on a consolidated basis), and after giving effect to the Transactions will be, Solvent.

#### SECTION 4. CONDITIONS PRECEDENT

4.1 Conditions to Loans. The agreement of each Lender to make the Loans requested to be made by it is subject to the satisfaction (or waiver), prior to or concurrently with the making of such Loan on the Closing Date, of the following conditions precedent:



(a) Credit Agreement; Senior Secured Loan Facilities. The Administrative Agent shall have received (i) this Agreement, executed and delivered by the Administrative Agent, Holdings, the Borrower, the Lead Arrangers and the Lenders party hereto and (ii) the Guarantee Agreement, executed and delivered by Holdings, the Borrower and each Subsidiary Guarantor. The Administrative Agent shall have received evidence that the Senior Secured Loan Documents have been executed and delivered by all Persons stated to be a party thereto in the form then most recently delivered to the Administrative Agent, and the Senior Secured Loans contemplated to be made thereunder on the Closing Date shall have been made.

(b) Transaction, etc. The following transactions shall be consummated:

(i) Merger. The Merger Transactions shall be consummated substantially concurrently with the initial funding of the Loans on the Closing Date (A) in accordance with the Merger Agreement and the related disclosure schedules and exhibits thereto, without waiver or amendment of any material provision thereof (other than any such waivers or amendments (including, without limitation, with respect to any representations and warranties in the Merger Agreement) as are not materially adverse to the Lenders or the Lead Arrangers (including, without limitation, the definition of "Company Material Adverse Effect" therein and the representation and warranty set forth in Section 4.8(c) thereof)) unless consented to by the Lead Arrangers (which consent shall not be unreasonably withheld or delayed) or (B) on such other terms and conditions as are reasonably satisfactory to the Lead Arrangers.

(ii) Equity Financing. The Permitted Investors shall have made equity contributions to, or purchased for cash equity of, Holdings in an aggregate amount that, together with all roll-over equity, constitutes not less than 40% of the pro forma capitalization of Holdings and its subsidiaries on a consolidated basis (after giving effect to the Transactions but excluding any revolving loans made or letters of credit issued under the Senior Secured Loan Facilities).

(iii) The representation and warranty of the Company contained in Section 4.8(c) of the Merger Agreement shall be true and correct as of the Closing Date as if made on and as of the Closing Date, except where the failure of such representation and warranty to be so true and correct has not had and would not be reasonably likely to have, individually or in the aggregate, a Closing Date Material Adverse Effect.

(c) Solvency Certificate. The Administrative Agent shall have received a solvency certificate signed by the chief financial officer on behalf of Holdings, substantially in the form of Exhibit G.

(d) Closing Certificate. The Administrative Agent shall have received a certificate of each Loan Party, dated as of the Closing Date, substantially in the form of Exhibit C, with appropriate insertions and attachments.

(e) Legal Opinions. The Administrative Agent shall have received an executed legal opinion of (i) Debevoise & Plimpton LLP, special New York counsel to the Loan Parties, substantially in the form of Exhibit E-1 and (ii) Morris, Nichols, Arsht & Tunnell LLP, special Delaware counsel to the Loan Parties, substantially in the form of Exhibit E-2.

(f) Insurance. The Administrative Agent shall have received insurance certificates satisfying the requirements of Section 5.5(c).

(g) USA Patriot Act. The Lenders shall have received from each of the Loan Parties documentation and other information requested by any Lender no less than 10 calendar days prior to the Closing Date that is required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the USA Patriot Act.

(h) Specified Representations. The Specified Representations shall be true and correct in all material respects.

#### SECTION 5. AFFIRMATIVE COVENANTS

The Borrower (on behalf of itself and each of the Restricted Subsidiaries) hereby agrees that, so long as the Commitments remain in effect or any Loan or other amount is owing to any Lender or any Agent hereunder (other than contingent or indemnification obligations not then due), the Borrower shall, and shall cause each of the Restricted Subsidiaries to:

5.1 Financial Statements. Furnish to the Administrative Agent for delivery to each Lender (which may be delivered via posting on IntraLinks or another similar electronic platform):

(a) within 120 days (or 135 days with respect to the fiscal year ending March 31, 2009) after the end of each fiscal year of the Borrower, commencing with the fiscal year ending March 31, 2009, a copy of the audited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such year and the related audited consolidated statements of income and of cash flows for such year, setting forth, commencing with the financial statements with respect to the fiscal year ending March 31, 2010, in comparative form the figures as of the end of and for the previous year, reported on without qualification arising out of the scope of the audit, by Ernst & Young LLP or other independent certified public accountants of nationally recognized standing; and

(b) within 45 days (or 60 days with respect to the fiscal quarters ending prior to March 31, 2009) after the end of each of the first three quarterly periods of each fiscal year of the Borrower, commencing with the fiscal quarter ending September 30, 2008, the unaudited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such quarter and the related unaudited consolidated statements of income and of cash flows for such quarter and the portion of the fiscal year through the end of such quarter, setting forth, commencing after the first full fiscal year after the Closing Date, in comparative form the figures as of the end of and for the corresponding period in the previous year, certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year-end audit adjustments and the lack of notes);

all such financial statements to be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein and with prior periods (except as disclosed therein and except in the case of the financial statements referred to in clause (b), for customary year-end adjustments and the absence of footnotes). The Borrower may satisfy its obligations under this Section 5.1 with respect to financial information of the Borrower and its consolidated Subsidiaries by delivering information relating to Holdings, the Borrower and its consolidated Subsidiaries.

Documents required to be delivered pursuant to this Section 5.1 may be delivered by posting such documents electronically with notice of such posting to the Administrative Agent and if so posted, shall be deemed to have been delivered on the date on which such documents are posted on the Borrower's behalf on IntraLinks/IntraAgency or another relevant website, if any, to which each Lender

and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent).

5.2 Certificates; Other Information. Furnish to the Administrative Agent for delivery to each Lender, or, in the case of clause (g), to the relevant Lender:

(a) to the extent permitted by the internal policies of such independent certified public accountants, concurrently with the delivery of the financial statements referred to in Section 5.1(a), a certificate of the independent certified public accountants in customary form reporting on such financial statements stating that in making the examination necessary therefor no knowledge was obtained of any Default or Event of Default arising under Section 7.1, except as specified in such certificate;

(b) concurrently with the delivery of any financial statements pursuant to Section 5.1, (i) a Compliance Certificate of a Responsible Officer on behalf of the Borrower stating that such Responsible Officer has obtained no knowledge of any Default or Event of Default that has occurred and is continuing except as specified in such certificate and (ii) to the extent not previously disclosed to the Administrative Agent, (x) a description of any Default or Event of Default that occurred and (y) a description of any new Subsidiary since the date of the most recent list delivered pursuant to this clause (or, in the case of the first such list so delivered, since the Closing Date);

(c) not later than 120 days (or 135 days with respect to the fiscal year ending March 31, 2009) after the end of each fiscal year of the Borrower, a detailed consolidated budget for the following fiscal year (including a projected consolidated balance sheet of the Borrower and its Subsidiaries as of the end of the following fiscal year and the related consolidated statements of projected cash flow and projected income (collectively, the "Annual Operating Budget")); provided that at any time the Borrower, Holdings or any Parent Company is subject to the reporting requirements set forth in Section 13(a) or 15(d) of the Securities Exchange Act of 1934, the Administrative Agent shall deliver the Annual Operating Budget only to "private-side" Lenders (i.e., Lenders that wish to receive material non-public information with respect to any Loan Party or its securities for purposes of United States federal or state securities laws).

(d) promptly after the same are sent, copies of all financial statements and material reports that the Borrower sends to the holders of any class of its debt securities or public equity securities (except for Permitted Investors) and, promptly after the same are filed, copies of all financial statements and reports that the Borrower may make to, or file with, the SEC, in each case to the extent not already provided pursuant to Section 5.1 or any other clause of this Section 5.2;

(e) promptly upon delivery thereof to the Borrower and to the extent permitted, copies of any accountants' letters addressed to its Board of Directors (or any committee thereof);

(f) promptly upon delivery thereof under the relevant agreement, notice of any default or event of default under the Senior Secured Loan Facilities, and, prior to the effectiveness thereof, copies of substantially final drafts of any proposed material amendment, supplement, waiver or other modification with respect to the Senior Secured Loan Facilities; and

(g) promptly, such additional financial and other information as the Administrative Agent (for its own account or upon the request from any Lender) may from time to time reasonably request.

Notwithstanding anything to the contrary in this Section 5.2, none of Holdings, the Borrower or any of the Restricted Subsidiaries will be required to disclose any document, information or other matter that (i) constitutes non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors) is prohibited by Law or any binding agreement, (iii) is subject to attorney-client or similar privilege or constitutes attorney work product or (iv) constitutes classified information.

Documents required to be delivered pursuant to this Section 5.2 may be delivered by posting such documents electronically with notice of such posting to the Administrative Agent and each Lender and if so posted, shall be deemed to have been delivered on the date (i) on which the Borrower posts such documents, or to provide a link thereto on the Borrower's website or (ii) on which such documents are posted on the Borrower's behalf on IntraLinks/IntraAgency or another relevant website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent).

5.3 Payment of Taxes. Pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its material Taxes, governmental assessments and governmental charges (other than Indebtedness), except (a) where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves required in conformity with GAAP with respect thereto have been provided on the books of the Borrower or its Restricted Subsidiaries, as the case may be, or (b) to the extent that failure to pay or satisfy such obligations would not reasonably be expected to have a Material Adverse Effect.

5.4 Conduct of Business and Maintenance of Existence, etc.; Compliance. (a) Preserve, renew and keep in full force and effect its corporate or other existence and take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of its business, except, in each case, as otherwise permitted by Section 6.4 or except to the extent that failure to do so would not reasonably be expected to have a Material Adverse Effect; and (b) comply with all Requirements of Law except to the extent that failure to comply therewith would not reasonably be expected to have a Material Adverse Effect.

5.5 Maintenance of Property; Insurance. (a) Keep all Property useful and necessary in its business in reasonably good working order and condition, ordinary wear and tear excepted, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

(b) Take all reasonable and necessary steps, including, without limitation, in any proceeding before the United States Patent and Trademark Office or the United States Copyright Office, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of the material United States Intellectual Property owned by the Borrower or its Restricted Subsidiaries, including, without limitation, filing of applications for renewal, affidavits of use and affidavits of incontestability, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

(c) Maintain insurance with financially sound and reputable insurance companies on all its material Property in at least such amounts and against at least such risks as are usually insured against in the same general area by companies engaged in the same or a similar business.

5.6 Inspection of Property; Books and Records; Discussions. (a) Keep proper books of records and account in which full, true and correct entries in conformity with GAAP and all Requirements of Law shall be made of all material financial dealings and transactions in relation to its business and activities, (b) permit representatives of any Lender to visit and inspect any of its properties and examine

and make abstracts from any of its books and records upon reasonable notice and at such reasonable times during normal business hours (provided that (i) such visits shall be coordinated by the Administrative Agent, (ii) such visits shall be limited to no more than one such visit per calendar year, and (iii) such visits by any Lender shall be at the Lender's expense, except in the case of clauses (ii) and (iii) during the continuance of an Event of Default), (c) permit representatives of any Lender to have reasonable discussions regarding the business, operations, properties and financial and other condition of the Borrower and its Restricted Subsidiaries with officers and employees of the Borrower and its Restricted Subsidiaries (provided that (i) a Responsible Officer of the Borrower shall be afforded the opportunity to be present during such discussions, (ii) such discussions shall be coordinated by the Administrative Agent, and (iii) such discussions shall be limited to no more than once per calendar quarter except during the continuance of an Event of Default) and (d) permit representatives of the Administrative Agent to have reasonable discussions regarding the business, operations, properties and financial and other condition of the Borrower and its Restricted Subsidiaries with its independent certified public accountants to the extent permitted by the internal policies of such independent certified public accountants (provided that (i) a Responsible Officer of the Borrower shall be afforded the opportunity to be present during such discussions and (ii) such discussions shall be limited to no more than once per calendar year except during the continuance of an Event of Default). Notwithstanding anything to the contrary in this Section 5.6, none of Holdings, the Borrower or any of the Restricted Subsidiaries will be required to disclose, permit the inspection, examination or making copies or abstracts of, or discussion of, any document, information or other matter that (i) constitutes non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors) is prohibited by Law or any binding agreement, (iii) is subject to attorney-client or similar privilege or constitutes attorney work product or (iv) constitutes classified information.

5.7 Notices. Promptly upon a Responsible Officer of the Borrower or any Subsidiary Guarantor obtaining knowledge thereof, give notice to the Administrative Agent of:

- (a) the occurrence of any Default or Event of Default;
- (b) any litigation, investigation or proceeding which may exist at any time between the Borrower or any of its Restricted Subsidiaries and any other Person, that in either case, would reasonably be expected to have a Material Adverse Effect;
- (c) the following events, that would reasonably be expected to have a Material Adverse Effect, as soon as possible and in any event within 30 days after the Borrower or any Subsidiary Guarantor knows thereof: (i) the occurrence of any Reportable Event with respect to any Single Employer Plan, a failure to make any required contribution to a Plan, the creation of any Lien in favor of the PBGC or a Plan on the assets of Holdings, the Borrower or any of its Restricted Subsidiaries or any withdrawal from, or the termination, Reorganization or Insolvency of, any Multiemployer Plan, (ii) the institution of proceedings or the taking of any other action by the PBGC or Holdings or any Commonly Controlled Entity or any Multiemployer Plan with respect to the withdrawal from, or the termination, Reorganization or Insolvency of, any Multiemployer Plan or (iii) the occurrence of any similar events with respect to a Commonly Controlled Plan, that would reasonably be likely to result in a direct obligation of the Borrower or any of its Restricted Subsidiaries to pay money; and
- (d) any development or event that has had or would reasonably be expected to have a Material Adverse Effect.

Each notice pursuant to this Section 5.7 shall be accompanied by a statement of a Responsible Officer setting forth details of the occurrence referred to therein and stating what action the Borrower or the relevant Restricted Subsidiary proposes to take with respect thereto.

5.8 Further Assurances. (a) Except as otherwise contemplated by Section 6.7(p), with respect to any new Subsidiary that is a Non-Excluded Subsidiary created or acquired after the Closing Date (which, for the purposes of this paragraph, shall include any Subsidiary that was previously an Excluded Subsidiary that becomes a Non-Excluded Subsidiary) by any Loan Party, promptly (i) give notice of such acquisition or creation to the Administrative Agent and cause such new Subsidiary to become a party to the Guarantee Agreement. Without limiting the foregoing, if (i) the aggregate Consolidated Total Assets or annual consolidated revenues of all Subsidiaries designated as "Immaterial Subsidiaries" hereunder shall at any time exceed 7.5% of Consolidated Total Assets or annual consolidated revenues, respectively, of the Borrower and its Restricted Subsidiaries (as reflected on the most recent financial statements delivered pursuant to Section 5.1 prior to such time) or (ii) if any Subsidiary shall at any time cease to constitute an Immaterial Subsidiary under clause (i) of the definition of "Immaterial Subsidiary" (as reflected on the most recent financial statements delivered pursuant to Section 5.1 prior to such time), the Borrower shall promptly, (x) in the case of clause (i) above, rescind the designation as "Immaterial Subsidiaries" of one or more of such Subsidiaries so that, after giving effect thereto, the aggregate Consolidated Total Assets or annual consolidated revenues, as applicable, of all Subsidiaries so designated (and which designations have not been rescinded) shall not exceed 7.5% of Consolidated Total Assets or annual consolidated revenues, respectively, of the Borrower and its Restricted Subsidiaries (as reflected on the most recent financial statements delivered pursuant to Section 5.1 prior to such time), as applicable, and (y) in the case of clauses (i) and (ii) above, to the extent not already effected, (A) cause each affected Subsidiary to take such actions to become a "Subsidiary Guarantor" hereunder and under the Guarantee Agreement and execute and deliver the documents and other instruments referred to in this paragraph (a) to the extent such affected Subsidiary is not otherwise an Excluded Subsidiary.

(b) Notwithstanding the foregoing, to the extent any new Restricted Subsidiary is created solely for the purpose of consummating a merger transaction pursuant to an acquisition permitted by Section 6.7, and such new Subsidiary at no time holds any assets or liabilities other than any merger consideration contributed to it contemporaneously with the closing of such merger transaction, such new Subsidiary shall not be required to take the actions set forth in Section 5.8(a) until the respective acquisition is consummated (at which time the surviving entity of the respective merger transaction shall be required to so comply within ten Business Days).

(c) From time to time the Loan Parties shall execute and deliver, or cause to be executed and delivered, such additional instruments, certificates or documents, and take all such actions, as the Administrative Agent may reasonably request for the purposes implementing or effectuating the provisions of this Agreement and the other Loan Documents.

5.9 Use of Proceeds. The proceeds of the Loans shall be used solely to effect the Merger Transactions, the Refinancing and to pay related fees and expenses.

5.10 Post-Closing Undertakings. Within the time period specified on Schedule 5.10 (or such later date to which the Administrative Agent consents), comply with the provisions set forth in Schedule 5.10.

SECTION 6. NEGATIVE COVENANTS

The Borrower (on behalf of itself and each of the Restricted Subsidiaries) hereby agrees that, so long as the Commitments remain in effect or any Loan or other amount is owing to any Lender or the Administrative Agent (other than contingent or indemnification obligations not then due), the Borrower shall not, and shall not permit any of the Restricted Subsidiaries to:

6.1 Consolidated Total Leverage Ratio. (a) Commencing with the Test Period ending December 31, 2008, permit the Consolidated Total Leverage Ratio as at the last day of any Test Period ending in any period set forth below to be less than the ratio set forth below for such period:

Period	Consolidated Total Leverage Ratio
December 31, 2008	7.50:1.00
March 31, 2009	7.50:1.00
June 30, 2009	7.20:1.00
September 30, 2009	6.90:1.00
December 31, 2009	6.60:1.00
March 31, 2010	6.30:1.00
June 30, 2010	6.00:1.00
September 30, 2010	5.70:1.00
December 31, 2010	5.70:1.00
March 31, 2011	5.40:1.00
June 30, 2011	5.10:1.00
September 30, 2011	4.80:1.00
December 31, 2011	4.50:1.00
March 31, 2012 and thereafter	4.20:1.00

6.2 Indebtedness. Create, issue, incur, assume, or permit to exist any Indebtedness, except:

(a) Indebtedness of the Borrower and any Restricted Subsidiary pursuant to any Loan Document or Hedge Agreement;

(b) Indebtedness (i) of the Borrower to any of its Restricted Subsidiaries or Holdings or of any Subsidiary Guarantor to Holdings, the Borrower or any Restricted Subsidiary, provided that any such Indebtedness owing to a Restricted Subsidiary that is not a Subsidiary Guarantor is expressly subordinated in right of payment to the Obligations pursuant to the Guarantee Agreement or otherwise and (ii) of any Non-Guarantor Subsidiary to any other Non-Guarantor Subsidiary;

(c) Indebtedness (including, without limitation, Capital Lease Obligations) secured by Liens permitted by Section 6.3(g) in an aggregate principal amount, when combined with the aggregate principal amount of Indebtedness outstanding under clauses (t) and (u) of this Section 6.2, not to exceed \$90,000,000 at any one time outstanding;

(d) (i) Indebtedness outstanding on the date hereof and listed on Schedule 6.2(d) and any Permitted Refinancing thereof and (ii) Indebtedness otherwise permitted under Section 6.10;

(e) Guarantee Obligations (i) by the Borrower or any of its Restricted Subsidiaries of obligations of the Borrower or any Subsidiary Guarantor not prohibited by this Agreement to be incurred and (ii) by any Non-Guarantor Subsidiary of obligations of any other Non-Guarantor Subsidiary;

(f) Indebtedness of the Borrower or any of its Restricted Subsidiaries arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn by the Borrower or such Restricted Subsidiary in the ordinary course of business against insufficient funds, so long as such Indebtedness is promptly repaid;

(g) (A) Indebtedness of any joint venture or Non-Guarantor Subsidiary owing to any Loan Party and (B) Guarantee Obligations of the Borrower or any Subsidiary Guarantor of Indebtedness of any joint venture or Non-Guarantor Subsidiary, to the extent such Indebtedness and Guarantee Obligations are permitted as Investments by Section 6.7(h), (k), (m) or (v);

(h) Indebtedness in the form of earn-outs, indemnification, incentive, non-compete, consulting or other similar arrangements and other contingent obligations in respect of acquisitions or Investments permitted by Section 6.7 (both before or after any liability associated therewith becomes fixed);

(i) (i) Indebtedness of the Borrower in respect of the Senior Secured Loan Agreement in an aggregate principal amount not to exceed \$910,000,000 less the principal amount thereof mandatorily prepaid thereunder as a result of any "Asset Sales" or "Recovery Events" under and as defined in the Senior Secured Loan Agreement, plus any accrued interest, fees, discounts, premiums and expenses, in each case, in respect thereof, (ii) Guarantee Obligations of any Subsidiary Guarantor in respect of such Indebtedness, interest, fees, discounts, premiums and expenses; provided that, in each case, in the case of any guarantee of Indebtedness in respect of the Senior Secured Loan Agreement by any Restricted Subsidiary that is not a Subsidiary Guarantor, such Restricted Subsidiary becomes a Subsidiary Guarantor under this Agreement at or prior to the time of such guarantee, and (iii) any Permitted Refinancing thereof;

(j) additional Indebtedness of the Borrower or any of its Restricted Subsidiaries in an aggregate principal amount (for the Borrower and all Restricted Subsidiaries), not to exceed \$90,000,000 at any time outstanding;

(k) Indebtedness of Non-Guarantor Subsidiaries in respect of local lines of credit, letters of credit, bank guarantees, factoring arrangements, sale/leaseback transactions and similar extensions of credit in the ordinary course of business, in an aggregate principal amount, when combined with the aggregate principal amount of Indebtedness outstanding under clause (s)(iii) of this Section 6.2, not to exceed \$42,000,000 at any one time outstanding;

(l) Indebtedness of the Borrower or any of its Restricted Subsidiaries in respect of workers' compensation claims, bank guarantees, warehouse receipts or similar facilities, property casualty or liability insurance, take-or-pay obligations in supply arrangements, self-insurance obligations, performance, bid, customs, government, appeal and surety bonds, completion guaranties and other obligations of a similar nature, in each case in the ordinary course of business;

(m) Indebtedness incurred by the Borrower or any of its Restricted Subsidiaries arising from agreements providing for indemnification related to sales of goods or adjustment of



purchase price or similar obligations in any case incurred in connection with the acquisition or Disposition of any business, assets or Subsidiary;

(n) Indebtedness supported by a Letter of Credit issued under, and as defined in, the Senior Secured Loan Agreement, in a principal amount not in excess of the stated amount of such Letter of Credit;

(o) Indebtedness issued in lieu of cash payments of Restricted Payments permitted by Section 6.6; provided that such Indebtedness is subordinated to the Obligations on terms reasonably satisfactory to the Administrative Agent;

(p) Permitted Subordinated Indebtedness in an aggregate principal amount not to exceed \$60,000,000 at any one time outstanding and any guarantees incurred in respect thereof;

(q) Indebtedness of the Borrower or any Subsidiary Guarantor as an account party in respect of trade letters of credit issued in the ordinary course of business;

(r) Indebtedness owing to any insurance company in connection with the financing of any insurance premiums permitted by such insurance company in the ordinary course of business;

(s) (i) Guarantee Obligations made in the ordinary course of business; provided that such Guarantees are not of Indebtedness for Borrowed Money, (ii) Guarantee Obligations in respect of lease obligations of Booz & Company Inc. and its Affiliates and (iii) Guarantee Obligations in respect of Indebtedness of joint ventures; provided that the aggregate principal amount of any such Guarantee Obligations under this sub-clause (iii), when combined with the aggregate principal amount of Indebtedness outstanding under clause (k) of this Section 6.2, shall not exceed \$42,000,000 at any time outstanding;

(t) Indebtedness of any Person that becomes a Restricted Subsidiary or is merged into the Borrower or a Restricted Subsidiary after the Closing Date as part of an acquisition, merger or consolidation or amalgamation or other Investment not prohibited hereunder (a "New Subsidiary"), which Indebtedness exists at the time of such acquisition, merger or consolidation or amalgamation or other Investment, and any Permitted Refinancing thereof; provided that (A) such Indebtedness exists at the time such Person becomes a Restricted Subsidiary or is merged into the Borrower or a Restricted Subsidiary and is not created in contemplation of or in connection with such Person becoming a Restricted Subsidiary or with such merger (except to the extent such Indebtedness refinanced other Indebtedness to facilitate such Person becoming a Restricted Subsidiary), (B) the aggregate principal amount of Indebtedness permitted by this clause (t) and Sections 6.2(c) and 6.2(u) shall not at any one time outstanding exceed \$90,000,000 and (C) neither the Borrower nor any Restricted Subsidiary (other than the applicable New Subsidiary) shall provide security therefor;

(u) Indebtedness incurred to finance any acquisition or other Investment permitted under Section 6.7 in an aggregate amount for all such Indebtedness together with the aggregate principal amount of Indebtedness permitted by Sections 6.2(c) and 6.2(t) not to exceed \$90,000,000 at any one time outstanding;

(v) other unsecured Indebtedness so long as, at the time of incurrence thereof, (i) after giving effect to the incurrence of such unsecured Indebtedness (as if such unsecured Indebtedness had been incurred on the first day of the most recently completed period of four consecutive fiscal quarters of the Borrower ending on or prior to such date), the Consolidated Total Leverage Ratio

would be less than or equal to (x) from the Closing Date until the second anniversary of the Closing Date, 5.25 to 1.00, (y) after the second anniversary of the Closing Date until the third anniversary of the Closing Date, 5.00 to 1.00, and (z) after the third anniversary of the Closing Date, 4.75 to 1.00; (ii) no Default or Event of Default shall have occurred and be continuing at the time of incurrence of such unsecured Indebtedness or would result therefrom; and (iii) the terms of such unsecured Indebtedness do not provide for any scheduled repayment, mandatory redemption or sinking fund obligation prior to the date at least 180 days following the Maturity Date;

(w) (i) Indebtedness representing deferred compensation or stock-based compensation to employees of the Borrower or any Restricted Subsidiary incurred in the ordinary course of business and (ii) Indebtedness consisting of obligations of the Borrower or any Restricted Subsidiary under deferred compensation or other similar arrangements incurred in connection with the Merger Transactions and any Investment permitted hereunder;

(x) Indebtedness issued by the Borrower or any Restricted Subsidiary to the officers, directors and employees of Holdings, any Parent Company, the Borrower or any Restricted Subsidiary, in lieu of or combined with cash payments to finance the purchase of Capital Stock of Holdings, any Parent Company or the Borrower, in each case, to the extent such purchase is permitted by Section 6.6(e);

(y) Indebtedness in respect of overdraft facilities, employee credit card programs, netting services, automatic clearinghouse arrangements and other cash management and similar arrangements in the ordinary course of business and any "Cash Management Obligations" as defined in the Senior Secured Loan Agreement (as in effect on the Closing Date);

(z) (i) Indebtedness of the Borrower or any of its Restricted Subsidiaries undertaken in connection with cash management and related activities with respect to any Subsidiary or joint venture in the ordinary course of business and (ii) Indebtedness of the Borrower or any Restricted Subsidiary to any joint venture (regardless of the form of legal entity) that is not a Subsidiary arising in the ordinary course of business in connection with the cash management operations (including in respect of intercompany self-insurance arrangements) of the Borrower and its Restricted Subsidiaries;

(aa) other Indebtedness so long as, at the time of and after giving effect thereto, (i) the Consolidated Secured Leverage Ratio would be less than or equal to (x) from the Closing Date until the last day of the eighteenth month after the Closing Date, 2.50 to 1.00 and (y) after the last day of the eighteenth month after the Closing Date, 2.25 to 1.00 (provided that any unsecured Indebtedness incurred under this clause (aa) shall be deemed to be secured Indebtedness for purposes of calculating the Consolidated Secured Leverage Ratio under this clause (aa) for so long as such Indebtedness is maintained under this clause (aa)) and (ii) no Default or Event of Default shall have occurred and be continuing; and

(bb) all premium (if any), interest (including post-petition interest), fees, expenses, charges, accretion or amortization of original issue discount, accretion of interest paid in kind and additional or contingent interest on obligations described in clauses (a) through (aa) above.

For purposes of determining compliance with this Section 6.2, in the event that an item of Indebtedness meets the criteria of more than one of the categories of Indebtedness described in clauses (c), (j), (k), (p), (s)(iii), (t), (u), (v) or (aa) above, the Borrower shall, in its sole discretion, classify and reclassify or later divide, classify or reclassify such item of Indebtedness (or any

portion thereof) and may include the amount and type of such Indebtedness in one or more of the above clauses; provided, that, for the avoidance of doubt, Indebtedness reclassified under Section 6.2(v) must be unsecured.

6.3 Liens. Create, incur, assume or suffer to exist any Lien upon any of its Property, whether now owned or hereafter acquired, except for:

(a) Liens for taxes not yet due or which are being contested in good faith by appropriate proceedings; provided that adequate reserves with respect thereto are maintained on the books of the Borrower or its Restricted Subsidiaries, as the case may be, to the extent required by GAAP;

(b) landlords', carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business which are not overdue for a period of more than 60 days or that are being contested in good faith by appropriate proceedings;

(c) pledges, deposits or statutory trusts in connection with workers' compensation, unemployment insurance and other social security legislation;

(d) deposits and other Liens to secure the performance of bids, government, trade and other similar contracts (other than for borrowed money), leases, subleases, statutory obligations, surety, judgment and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(e) encumbrances shown as exceptions in the title insurance policies insuring the Mortgages, easements, zoning restrictions, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business that, in the aggregate, do not materially detract from the value of the Property subject thereto or materially interfere with the ordinary conduct of the business of the Borrower or any of its Restricted Subsidiaries;

(f) Liens (i) in existence on the date hereof listed on Schedule 6.3(f) (or to the extent not listed on such Schedule 6.3(f), where the fair market value of the Property to which such Lien is attached is less than \$5,000,000), (ii) securing Indebtedness permitted by Section 6.2(d) and (iii) created after the date hereof in connection with any refinancing, refundings, or renewals or extensions thereof permitted by Section 6.2(d); provided that no such Lien is spread to cover any additional Property of the Borrower or any Restricted Subsidiary after the Closing Date and that the amount of Indebtedness secured thereby is not increased;

(g) (i) Liens securing Indebtedness of the Borrower or any Restricted Subsidiary incurred pursuant to Sections 6.2(c), 6.2(g), 6.2(j), 6.2(k), 6.2(r), 6.2(s), 6.2(t), 6.2(u) and 6.2(w); provided that (A) in the case of any such Liens securing Indebtedness incurred pursuant to Section 6.2(u) to the extent incurred to finance Acquisitions or Investments permitted under Section 6.7, (x) such Liens shall be created substantially concurrently with, or within 90 days after, the acquisition of the assets financed by such Indebtedness and (y) such Liens do not at any time encumber any Property of the Borrower or any Restricted Subsidiary other than the Property financed by such Indebtedness and the proceeds thereof, (B) in the case of any such Liens securing Indebtedness pursuant to Sections 6.2(g) or 6.2(k), such Liens do not at any time encumber any Property of the Borrower or any Subsidiary Guarantor, (C) in the case of any such Liens securing Indebtedness incurred pursuant to Section 6.2(s), such Liens do not encumber any Property other than cash paid to any such insurance company in respect of such insurance and (D) in the case of any such Liens securing Indebtedness pursuant to Section 6.2(u), such Liens exist at the time that the relevant Person becomes a Restricted Subsidiary and are not created in

contemplation of or in connection with such Person becoming a Restricted Subsidiary and (ii) any extension, refinancing, renewal or replacement of the Liens described in clause (i) of this Section 6.2(g) in whole or in part; provided that such extension, renewal or replacement shall be limited to all or a part of the property which secured the Lien so extended, renewed or replaced (plus improvements on such property, if any);

(h) Liens securing Indebtedness incurred under Section 6.2(i) or (aa);

(i) Liens arising from judgments in circumstances not constituting an Event of Default under Section 7.1(h);

(j) Liens on Property or assets acquired pursuant to an acquisition permitted under Section 6.7 (and the proceeds thereof) or assets of a Restricted Subsidiary in existence at the time such Restricted Subsidiary is acquired pursuant to an acquisition permitted under Section 6.7 and not created in contemplation thereof and Liens created after the Closing Date in connection with any refinancing, refundings, or renewals or extensions of the obligations secured thereby permitted hereunder, provided that no such Lien is spread to cover any additional Property after the Closing Date and that the amount of Indebtedness secured thereby is not increased;

(k) (i) Liens on Property of Non-Guarantor Subsidiaries securing Indebtedness or other obligations not prohibited by this Agreement to be incurred by such Non-Guarantor Subsidiaries and (ii) Liens securing Indebtedness or other obligations of the Borrower or any Subsidiary in favor of any Loan Party;

(l) receipt of progress payments and advances from customers in the ordinary course of business to the extent same creates a Lien on the related inventory and proceeds thereof;

(m) Liens in favor of customs and revenue authorities arising as a matter of law to secure the payment of customs duties in connection with the importation of goods;

(n) Liens arising out of consignment or similar arrangements for the sale by the Borrower and its Restricted Subsidiaries of goods through third parties in the ordinary course of business;

(o) Liens solely on any cash earnest money deposits made by the Borrower or any of its Restricted Subsidiaries in connection with an Investment permitted by Section 6.7;

(p) Liens deemed to exist in connection with Investments permitted by Section 6.7(b) that constitute repurchase obligations;

(q) Liens upon specific items of inventory or other goods and proceeds of the Borrower or any of its Restricted Subsidiaries arising in the ordinary course of business securing such Person's obligations in respect of bankers' acceptances and letters of credit issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(r) Liens on cash deposits securing any Hedge Agreement permitted hereunder;

(s) any interest or title of a lessor under any leases or subleases entered into by the Borrower or any Restricted Subsidiary in the ordinary course of business and any financing statement filed in connection with any such lease;

(t) Liens on cash or cash equivalents used to defease or to satisfy and discharge Indebtedness, provided that such defeasance or satisfaction and discharge is not prohibited hereunder;

(u) (i) Liens that are contractual rights of set-off (A) relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness, (B) relating to pooled deposit or sweep accounts of the Borrower or any Restricted Subsidiary to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Borrower and the Subsidiaries, (C) relating to purchase orders and other agreements entered into with customers of the Borrower or any Restricted Subsidiary in the ordinary course of business, (ii) other Liens securing cash management obligations (that do not constitute Indebtedness) in the ordinary course of business or (iii) Liens securing the Obligations;

(v) Liens arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of set-off or similar rights;

(w) Liens on Capital Stock in joint ventures securing obligations of such joint venture;

(x) Liens on securities that are the subject of repurchase agreements constituting Cash Equivalents or Permitted Liquid Investments;

(y) Liens securing obligations in respect of trade-related letters of credit permitted under Section 6.2 and covering the goods (or the documents of title in respect of such goods) financed by such letters of credit and the proceeds and products thereof; and

(z) other Liens with respect to obligations that do not exceed \$42,000,000 at any one time outstanding.

6.4 Fundamental Changes. Consummate any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or Dispose of all or substantially all of its Property or business, except that:

(a) (i) any Restricted Subsidiary may be merged, amalgamated or consolidated with or into the Borrower (provided that the Borrower shall be the continuing or surviving corporation) or (ii) any Restricted Subsidiary may be merged, amalgamated or consolidated with or into any Subsidiary Guarantor (provided that (x) a Subsidiary Guarantor shall be the continuing or surviving corporation or (y) simultaneously with such transaction, the continuing or surviving corporation shall become a Subsidiary Guarantor and the Borrower shall comply with Section 5.8 in connection therewith);

(b) any Non-Guarantor Subsidiary may be merged or consolidated with or into, or be liquidated into, any other Non-Guarantor Subsidiary that is a Restricted Subsidiary;

(c) any Restricted Subsidiary may Dispose of all or substantially all of its assets upon voluntary liquidation or otherwise to the Borrower or any Subsidiary Guarantor;

(d) any Non-Guarantor Subsidiary may Dispose of all or substantially all of its assets (upon voluntary liquidation, dissolution, winding-up or otherwise) to any other Non-Guarantor Subsidiary that is a Restricted Subsidiary;

(e) Dispositions permitted by Section 6.5 and any merger, dissolution, liquidation, consolidation, investment or Disposition, the purpose of which is to effect a Disposition permitted by Section 6.5 may be consummated;

(f) any Investment expressly permitted by Section 6.7 may be structured as a merger, consolidation or amalgamation;

(g) the transactions contemplated under the Transaction Documents;

(h) any Restricted Subsidiary may liquidate or dissolve if (i) the Borrower determines in good faith that such liquidation or dissolution is in the best interest of the Borrower and is not materially disadvantageous to the Lenders and (ii) to the extent such Restricted Subsidiary is a Loan Party, any assets or business of such Restricted Subsidiary not otherwise disposed of or transferred in accordance with Section 6.4 or 6.5 or, in the case of any such business, discontinued, shall be transferred to, or otherwise owned or conducted by, a Loan Party after giving effect to such liquidation or dissolution; and

(i) any such transaction may be effected to the extent such transaction constitutes a Change of Control and the Borrower complies with the requirements set forth in Section 2.6 within the period of time set forth therein.

6.5 Dispositions of Property. Dispose of any of its owned Property (including, without limitation, receivables) whether now owned or hereafter acquired, or, in the case of any Restricted Subsidiary, issue or sell any shares of such Restricted Subsidiary's Capital Stock to any Person, except:

(a) (i) the Disposition of surplus, obsolete or worn out Property in the ordinary course of business, (ii) the sale of defaulted receivables in the ordinary course of business, (iii) abandonment, cancellation or disposition of any Intellectual Property in the ordinary course of business and (iv) sales, leases or other dispositions of inventory determined by the management of the Borrower to be no longer useful or necessary in the operation of the Business;

(b) (i) the sale of inventory or other property in the ordinary course of business, (ii) the cross-licensing or licensing of Intellectual Property, in the ordinary course of business and (iii) the contemporaneous exchange, in the ordinary course of business, of Property for Property of a like kind, to the extent that the Property received in such exchange is of a value equivalent to the value of the Property exchanged;

(c) Dispositions permitted by Section 6.4;

(d) the sale or issuance of (i) any Subsidiary's Capital Stock to the Borrower or any Subsidiary Guarantor; provided that the sale or issuance of Capital Stock of an Unrestricted Subsidiary to the Borrower or any Restricted Subsidiary is otherwise permitted by Section 6.7, (ii) the Capital Stock of any Non-Guarantor Subsidiary that is a Restricted Subsidiary to any other Non-Guarantor Subsidiary that is a Restricted Subsidiary and (iii) the Capital Stock of any Subsidiary that is an Unrestricted Subsidiary to any other Subsidiary that is an Unrestricted Subsidiary, in each case, including, without limitation, in connection with any tax restructuring activities not otherwise prohibited hereunder;

(e) the Disposition of other assets for fair market value not to exceed \$240,000,000 in the aggregate; provided that at least 75% of the total consideration for any such Disposition received

by the Borrower and its Restricted Subsidiaries is in the form of cash, Cash Equivalents or Permitted Liquid Investments;

(f) (i) any Recovery Event and (ii) any event that would constitute a Recovery Event but for the Dollar threshold set forth in the definition thereof;

(g) the leasing, occupancy agreements or sub-leasing of Property pursuant to the Merger Documents or that would not materially interfere with the required use of such Property by the Borrower or its Restricted Subsidiaries;

(h) the transfer for fair value of Property (including Capital Stock of Subsidiaries) to another Person in connection with a joint venture arrangement with respect to the transferred Property; provided that such transfer is permitted under Section 6.7(h) or (v);

(i) the sale or discount, in each case without recourse and in the ordinary course of business, of overdue accounts receivable arising in the ordinary course of business, but only in connection with the compromise or collection thereof consistent with customary industry practice (and not as part of any bulk sale or financing of receivables);

(j) transfers of condemned Property as a result of the exercise of "eminent domain" or other similar policies to the respective Governmental Authority or agency that has condemned the same (whether by deed in lieu of condemnation or otherwise), and transfers of properties that have been subject to a casualty to the respective insurer of such Property as part of an insurance settlement;

(k) the Disposition of any Immaterial Subsidiary or any Unrestricted Subsidiary;

(l) the transfer of Property (including Capital Stock of Subsidiaries) of the Borrower or any Guarantor to any Restricted Subsidiary for fair market value;

(m) the transfer of Property (i) by the Borrower or any Subsidiary Guarantor to the Borrower or any other Subsidiary Guarantor or (ii) from a Non-Guarantor Subsidiary to (A) the Borrower or any Subsidiary Guarantor for no more than fair market value or (B) any other Non-Guarantor Subsidiary that is a Restricted Subsidiary;

(n) the sale of cash, Cash Equivalents or Permitted Liquid Investments in the ordinary course of business;

(o) (i) Liens permitted by Section 6.3, (ii) Restricted Payments permitted by Section 6.6, (iii) Investments permitted by Section 6.7, (iv) payments permitted by Section 6.8 and (v) sale and leaseback transactions permitted by Section 6.10;

(p) Dispositions of Investments in joint ventures to the extent required by, or made pursuant to customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding arrangements; and

(q) Dispositions of Property between or among the Borrower and/or its Restricted Subsidiaries as a substantially concurrent interim Disposition in connection with a Disposition otherwise permitted pursuant to clauses (a) through (p) above;

6.6 Restricted Payments. Declare or pay any dividend on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any Capital Stock of the Borrower or any Subsidiary, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or Property or in obligations of the Borrower or any Restricted Subsidiary, or enter into any derivatives or other transaction with any financial institution, commodities or stock exchange or clearinghouse (a "Derivatives Counterparty") obligating the Borrower or any Restricted Subsidiary to make payments to such Derivatives Counterparty as a result of any change in market value of any such Capital Stock (collectively, "Restricted Payments"), except that:

(a) (i) any Restricted Subsidiary may make Restricted Payments to the Borrower or any Subsidiary Guarantor and (ii) Non-Guarantor Subsidiaries may make Restricted Payments to other Non-Guarantor Subsidiaries;

(b) provided that (x) no Default or Event of Default is continuing or would result therefrom and (y) the Consolidated Total Leverage Ratio for the most recently ended period of four consecutive fiscal quarters of the Borrower shall not exceed 4.50 to 1.00 for such period immediately before and immediately after giving effect to such Restricted Payment, the Borrower may make Restricted Payments in an aggregate amount not to exceed the Available Amount; provided no Restricted Payments under this clause (b) may be made for the purpose of making a dividend or other distribution in respect of, or repurchasing or redeeming, Capital Stock held by the Sponsor or any of its Affiliates (other than Holdings or any Parent Company) in Holdings or any Parent Company; it being understood that such Restricted Payments may be used for such purposes with respect to Capital Stock held by any other Person in Holdings or any Parent Company;

(c) the Borrower may make Restricted Payments to Holdings or any Parent Company to permit Holdings or any Parent Company to pay (i) any taxes which are due and payable by Holdings or any Parent Company, the Borrower and the Restricted Subsidiaries as part of a consolidated group (or shareholders of Holdings, to the extent such taxes are attributable to Holdings, the Borrower and the Restricted Subsidiaries), (ii) customary fees, salary, bonus, severance and other benefits payable to, and indemnities provided on behalf of, their current and former officers and employees and members of their Board of Directors, (iii) ordinary course corporate operating expenses and other fees and expenses required to maintain its corporate existence, (iv) fees and expenses to the extent permitted under clause (i) of the second sentence of Section 6.9, (v) reasonable fees and expenses incurred in connection with any debt or equity offering by Holdings or any Parent Company, to the extent the proceeds thereof are (or, in the case of an unsuccessful offering, were intended to be) used for the benefit of the Borrower and the Restricted Subsidiaries, whether or not completed, (vi) reasonable fees and expenses in connection with compliance with reporting obligations under, or in connection with compliance with, federal or state laws or under this Agreement or any other Loan Document and the Senior Secured Loan Agreement and any other Senior Secured Loan Document and (vii) amounts due in respect of the Deferred Obligation Amount under the Merger Agreement with the Net Cash Proceeds of any Equity Issuance by, or capital contribution to, the Borrower;

(d) the Borrower may make Restricted Payments in the form of Capital Stock of the Borrower;

(e) the Borrower or any Subsidiary may make Restricted Payments to, directly or indirectly, purchase the Capital Stock of the Borrower, Holdings or any Parent Company from present or former officers, directors, consultants, agents or employees (or their estates, trusts,



family members or former spouses) of Holdings, the Borrower, any Parent Company or any Subsidiary upon the death, disability, retirement or termination of the applicable officer, director, consultant, agent or employee or pursuant to any equity subscription agreement, stock option or equity incentive award agreement, shareholders' or members' agreement or similar agreement, plan or arrangement; provided that the aggregate amount of payments under this clause (e) in any fiscal year of the Borrower shall not exceed the sum of (i) \$24,000,000 in any fiscal year (but not exceeding \$60,000,000 in the aggregate since the Closing Date), plus (ii) any proceeds received from key man life insurance policies, plus (iii) any proceeds received by the Borrower, Holdings or any Parent Company during such fiscal year from sales of the Capital Stock of Holdings, the Borrower or any Parent Company to directors, consultants, officers or employees of Holdings, such Parent Company, the Borrower or any Subsidiary in connection with permitted employee compensation and incentive arrangements, plus (iv) the amount of any bona fide cash bonuses otherwise payable to members of management, directors or consultants of Holdings, any Parent Company, the Borrower or its Restricted Subsidiaries in connection with the Transactions that are foregone in return for the receipt of Capital Stock the fair market value of which is equal to or less than the amount of such cash bonuses; provided that any Restricted Payments permitted (but not made) pursuant to sub-clause (ii), (iii) or (iv) of this clause (e) in any prior fiscal year may be carried forward to any subsequent calendar year, and provided, further, that cancellation of Indebtedness owing to the Borrower or any Restricted Subsidiary by any member of management of Holdings, any Parent Company, the Borrower or its Restricted Subsidiaries in connection with a repurchase of the Capital Stock of Holdings or any Parent Company will not be deemed to constitute a Restricted Payment for purposes of this Section 6.6;

(f) noncash repurchases of Capital Stock deemed to occur upon exercise of stock options or similar equity incentive awards if such Capital Stock represents a portion of the exercise price of such options or similar equity incentive awards;

(g) the Borrower and its Restricted Subsidiaries may make Restricted Payments to consummate the Transactions (including any Restricted Payments contemplated by the Merger Agreement);

(h) the Borrower may make Restricted Payments to allow Holdings or any Parent Company to make payments in cash, in lieu of the issuance of fractional shares, upon the exercise of warrants or upon the conversion or exchange of Capital Stock of any such Person;

(i) so long as no Event of Default under Section 7.1(a) or 7.1(f) has occurred and is continuing, the Borrower and its Restricted Subsidiaries may make Restricted Payments to make payments provided for in the Management Agreement;

(j) to the extent constituting Restricted Payments, the Borrower and its Restricted Subsidiaries may enter into and consummate transactions expressly permitted by any provision of Sections 6.4, 6.5, 6.7 and 6.9;

(k) any non-wholly owned Restricted Subsidiary of the Borrower may declare and pay cash dividends to its equity holders generally so long as the Borrower or its respective Subsidiary which owns the equity interests in the Restricted Subsidiary paying such dividend receives at least its proportional share thereof (based upon its relative holding of the equity interests in the Restricted Subsidiary paying such dividends and taking into account the relative preferences, if any, of the various classes of equity interest of such Restricted Subsidiary);

(l) the Borrower may make Restricted Payments using any amounts placed in escrow in connection with the Transactions;

(m) provided that (i) no Default or Event of Default is continuing or would result therefrom and (ii) the Consolidated Total Leverage Ratio for the most recently ended period of four consecutive fiscal quarters of the Borrower shall not exceed 2.00 to 1.00 for such period immediately before and immediately after giving effect to such Restricted Payment, at any time following the sixth anniversary of the Closing Date, the Borrower and its Restricted Subsidiaries may make Restricted Payments to redeem or purchase the Capital Stock of the Borrower, Holdings or any Parent Company in an amount not to exceed 10% of the Borrower's Consolidated EBITDA in any fiscal year; provided no Restricted Payments under this clause (m) may be made for the purpose of making a dividend or other distribution in respect of, or repurchasing or redeeming, Capital Stock held by the Sponsor or any of its Affiliates (other than Holdings or any Parent Company) in Holdings or any Parent Company; it being understood that such Restricted Payments may be used for such purposes with respect to Capital Stock held by any other Person in Holdings or any Parent Company;

(n) provided that no Default or Event of Default is continuing or would result therefrom, after a Holdings IPO, the Borrower may make Restricted Payments to Holdings or any Parent Company so that Holdings or any Parent Company may make Restricted Payments to its equity holders in an aggregate amount not exceeding 6.0% per annum of the Net Cash Proceeds received by the Borrower from such Holdings IPO; provided that the Available Amount shall be reduced by a corresponding amount of any such Restricted Payments; and

(o) provided that no Default or Event of Default is continuing or would result therefrom, other Restricted Payments in an amount not to exceed \$36,000,000; provided that no Restricted Payments under this clause (o) may be made for the purpose of making a dividend or other distribution in respect of, or repurchasing or redeeming, Capital Stock held by the Sponsor or any of its Affiliates (other than Holdings or any Parent Company) in Holdings or any Parent Company; it being understood that such Restricted Payments may be used for such purposes with respect to Capital Stock held by any other Person in Holdings or any Parent Company.

6.7 Investments. Make any advance, loan, extension of credit (by way of guaranty or otherwise) or capital contribution to, or purchase any Capital Stock, bonds, notes, debentures or other debt securities of, or all or substantially all of the assets constituting an ongoing business from, or make any other similar investment in, any other Person (all of the foregoing, "Investments"), except:

(a) (i) extensions of trade credit in the ordinary course of business and (ii) purchases and acquisitions of inventory, supplies, materials and equipment or purchases of contract rights or licenses or leases of Intellectual Property in each case in the ordinary course of business, to the extent such purchases and acquisitions constitute Investments;

(b) Investments in Cash Equivalents and Investments that were Cash Equivalents when made;

(c) Investments arising in connection with (i) the incurrence of Indebtedness permitted by Sections 6.2 to the extent arising as a result of Indebtedness among Holdings, the Borrower or any Restricted Subsidiary and Guarantee Obligations permitted by Section 6.2 and payments made in respect of such Guarantee Obligations, (ii) the forgiveness or conversion to equity of any Indebtedness permitted by Section 6.2 and (iii) Guarantees by any Borrower or any Restricted

Subsidiary of operating leases (other than Capital Lease Obligations) or of other obligations that do not constitute Indebtedness, in each case entered into in the ordinary course of business;

(d) loans and advances to employees, consultants or directors of Holdings, the Borrower or any of its Restricted Subsidiaries in the ordinary course of business in an aggregate amount (for Holdings, the Borrower and all Restricted Subsidiaries) not to exceed \$6,000,000 (excluding (for purposes of such cap) tuition advances, travel and entertainment expenses, but including relocation expenses) at any one time outstanding;

(e) Investments (other than those relating to the incurrence of Indebtedness permitted by Section 6.7(c)) by the Borrower or any of its Restricted Subsidiaries in the Borrower or any Person that, prior to such Investment, is a Subsidiary Guarantor or is a Domestic Subsidiary that becomes a Subsidiary Guarantor at the time of such Investment;

(f) (i) Permitted Acquisitions to the extent that any Person or Property acquired in such acquisition becomes a Subsidiary Guarantor or a part of the Borrower or any Subsidiary Guarantor or becomes (whether or not such Person is a wholly owned Subsidiary) a Subsidiary Guarantor in the manner contemplated by Section 5.8(a) and (ii) other Permitted Acquisitions in an aggregate purchase price in the case of this clause (ii) (other than purchase price paid through the issuance of equity by Holdings or any Parent Company with the proceeds thereof, including (A) (x) whether or not any equity is issued, capital contributions (other than relating to Disqualified Capital Stock) and (y) equity issued to the seller) in an aggregate amount not to exceed \$90,000,000 plus (B) an amount equal to the Available Amount; provided that after giving effect to any such Permitted Acquisition the Borrower shall be in pro forma compliance with the financial covenants set forth in Section 6.1;

(g) loans by the Borrower or any of its Restricted Subsidiaries to the employees, officers or directors of Holdings, the Borrower or any of its Restricted Subsidiaries in connection with management incentive plans; provided that such loans represent cashless transactions pursuant to which such employees, officers or directors directly invest the proceeds of such loans in the Capital Stock of Holdings;

(h) Investments by the Borrower and its Restricted Subsidiaries in joint ventures or similar arrangements and Non-Guarantor Subsidiaries in an aggregate amount at any one time outstanding (for the Borrower and all Restricted Subsidiaries), not to exceed the sum of (A) \$60,000,000 plus (B) an amount equal to the Available Amount; provided, that any Investment made for the purpose of funding a Permitted Acquisition permitted under Section 6.7(f) shall not be deemed a separate Investment for the purposes of this clause (h); provided, further, that no Investment may be made pursuant to this clause (h) in any Unrestricted Subsidiary for the purpose of making a Restricted Payment prohibited pursuant to Section 6.6;

(i) Investments (including debt obligations) received in the ordinary course of business by the Borrower or any Restricted Subsidiary in connection with the bankruptcy or reorganization of suppliers, customers and other Persons and in settlement of delinquent obligations of, and other disputes with, suppliers, customers and other Persons arising out of the ordinary course of business;

(j) Investments by any Non-Guarantor Subsidiary in any other Non-Guarantor Subsidiary;

(k) Investments in existence on, or pursuant to legally binding written commitments in existence on, the Closing Date and listed on Schedule 6.7 and, in each case, any extensions or renewals thereof, so long as the amount of any Investment made pursuant to this clause (k) is not increased at any time above the amount of such Investment set forth on Schedule 6.7;

(l) Investments of the Borrower or any Restricted Subsidiary under Hedge Agreements permitted hereunder;

(m) Investments of any Person in existence at the time such Person becomes a Restricted Subsidiary; provided that such Investment was not made in connection with or in anticipation of such Person becoming a Restricted Subsidiary;

(n) Investments arising as a result of payments permitted by Section 6.8(a);

(o) consummation of the Merger Transactions pursuant to the Merger Documents and the Company Reorganization;

(p) Subsidiaries of the Borrower may be established or created, if to the extent such new Subsidiary is a Domestic Subsidiary, the Borrower and such Subsidiary comply with the provisions of Section 5.8(a); provided that, in each case, to the extent such new Subsidiary is created solely for the purpose of consummating a merger transaction pursuant to an acquisition permitted by this Section 6.7, and such new Subsidiary at no time holds any assets or liabilities other than any merger consideration contributed to it contemporaneously with the closing of such merger transactions, such new Subsidiary shall not be required to take the actions set forth in Section 5.8(a) until the respective acquisition is consummated (at which time the surviving entity of the respective merger transaction shall be required to so comply within ten Business Days or such longer period as the Administrative Agent shall agree);

(q) Investments arising directly out of the receipt by the Borrower or any Restricted Subsidiary of non-cash consideration for any sale of assets permitted under Section 6.5; provided that such non-cash consideration shall in no event exceed 25% of the total consideration received for such sale;

(r) Investments resulting from pledges and deposits referred to in Sections 6.3(c) and (d);

(s) Investments consisting of the licensing or contribution of Intellectual Property pursuant to joint marketing arrangements with other persons;

(t) any Investment in a Foreign Subsidiary to the extent such Investment is substantially contemporaneously repaid in full with a dividend or other distribution from such Foreign Subsidiary;

(u) Investments in the ordinary course of business consisting of UCC Article 3 endorsements for collection or deposit and UCC Article 4 customary trade arrangements with customers consistent with past practices;

(v) additional Investments so long as the aggregate amount thereof outstanding at no time exceeds the sum of (i) \$30,000,000 plus (ii) an amount equal to the Available Amount; provided that no Investment may be made pursuant to this clause (v) in any Unrestricted Subsidiary for the purpose of making a Restricted Payment prohibited pursuant to Section 6.6;

(w) advances of payroll payments to employees, or fee payments to directors or consultants, in the ordinary course of business;

(x) Investments in Permitted Liquid Investments and Investments that were Permitted Liquid Investments when made in an amount not to exceed \$48,000,000 at any one time outstanding; and

(y) Investments constituting loans or advances by the Borrower to Holdings or a Parent Company in lieu of Restricted Payments permitted pursuant to Section 6.6.

It is further understood and agreed that for purposes of determining the value of any Investment outstanding for purposes of this Section 6.7, such amount shall be deemed to be the amount of such Investment when made, purchased or acquired less any returns on such Investment (not to exceed the original amount invested). Notwithstanding the foregoing, no Investment in an Unrestricted Subsidiary is permitted under this Section 6.7 unless such Investment is permitted pursuant to clause (h) or (v) above.

**6.8 Optional Payments and Modifications of Certain Debt Instruments.** (a) Make any optional or voluntary payment, prepayment, repurchase or redemption of, or otherwise voluntarily or optionally defease the principal of or interest on, or any other amount owing in respect of any Permitted Subordinated Indebtedness; provided that (A) the Borrower or any Restricted Subsidiary may prepay any Permitted Subordinated Indebtedness (or any Permitted Refinancing thereof) with amounts constituting the Available Amount at any time if the Consolidated Total Leverage Ratio is equal to or less than 4.50 to 1.00 as of the end of the most recently ended Reference Period, (B) the Borrower or any Restricted Subsidiary may refinance, replace or extend any Permitted Subordinated Indebtedness to the extent permitted by Section 6.2 and (C) the Borrower or any Restricted Subsidiary may convert any Permitted Subordinated Indebtedness (or any Permitted Refinancing thereof) to the Capital Stock of Holdings or any Parent Company. Notwithstanding the foregoing, nothing in this Section 6.8 shall prohibit any AHYDO Payments in respect of any Permitted Subordinated Indebtedness or, in each case, any Permitted Refinancing thereof.

(b) Amend, modify or otherwise change, or consent or agree to any amendment, modification, waiver or other change to, any of the terms of any Permitted Subordinated Indebtedness in any manner that is materially adverse to the Lenders without the prior consent of the Administrative Agent (with the approval of the Required Lenders); provided that nothing in this Section 6.8(b) shall prohibit the refinancing, replacement, extension or other similar modification of the Permitted Subordinated Indebtedness to the extent otherwise permitted by Section 6.2.

**6.9 Transactions with Affiliates.** Enter into any transaction, including, without limitation, any purchase, sale, lease or exchange of Property, the rendering of any service or the payment of any management, advisory or similar fees, with any Affiliate (other than Holdings, the Borrower or any Restricted Subsidiary) unless such transaction is (a) otherwise not prohibited under this Agreement and (b) upon fair and reasonable terms no less favorable to the Borrower or such Restricted Subsidiary, as the case may be, than it would obtain in a comparable arm's length transaction with a Person that is not an Affiliate. Notwithstanding the foregoing, the Borrower and its Restricted Subsidiaries may (i) pay to the Sponsor and its Affiliates fees, indemnities and expenses pursuant to the Management Agreement and/or fees and expenses in connection with the Merger and disclosed to the Administrative Agent prior to the Closing Date; (ii) enter into any transaction with an Affiliate that is not prohibited by the terms of this Agreement to be entered into by the Borrower or such Restricted Subsidiary with an Affiliate; (iii) make any Restricted Payments contemplated by the Merger Agreement, and otherwise perform their obligations under the Transaction Documents and (iv) without being subject to the terms of this Section 6.9, enter into any transaction with any Person which is an Affiliate of Holdings only by reason of such Person and

Holdings having common directors. For the avoidance of doubt, this Section 6.9 shall not apply to employment, bonus, retention and severance arrangements with, and payments of compensation or benefits to or for the benefit of, current or former employees, consultants, officers or directors of the Borrower or any of its Restricted Subsidiaries in the ordinary course of business. For purposes of this Section 6.9, any transaction with any Affiliate shall be deemed to have satisfied the standard set forth in clause (b) of the first sentence hereof if such transaction is approved by a majority of the Disinterested Directors of the board of directors of the Borrower or such Restricted Subsidiary, as applicable. "Disinterested Director" shall mean, with respect to any Person and transaction, a member of the Board of Directors of such Person who does not have any material direct or indirect financial interest in or with respect to such transaction.

6.10 Sales and Leasebacks. Enter into any arrangement with any Person providing for the leasing by the Borrower or any Restricted Subsidiary of real or personal Property which is to be sold or transferred by the Borrower or such Restricted Subsidiary (a) to such Person or (b) to any other Person to whom funds have been or are to be advanced by such Person on the security of such Property or rental obligations of the Borrower or such Restricted Subsidiary, except for (i) any such arrangement entered into in the ordinary course of business of the Borrower and its Subsidiaries, (ii) sales or transfers by the Borrower or any Subsidiary Guarantor to the Borrower or any other Subsidiary Guarantor, (iii) sales or transfers by any Non Guarantor Subsidiary to any other Non Guarantor Subsidiary that is a Restricted Subsidiary and (iv) any such arrangement to the extent that the fair market value of such Property does not exceed \$42,000,000 in the aggregate for all such arrangements.

6.11 Changes in Fiscal Periods. Permit the fiscal year of the Borrower to end on a day other than March 31.

6.12 Clauses Restricting Subsidiary Distributions. Enter into any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to (a) make Restricted Payments in respect of any Capital Stock of such Restricted Subsidiary held by, or pay any Indebtedness owed to, the Borrower or any Restricted Subsidiary or (b) make Investments in the Borrower or any Restricted Subsidiary, except for such encumbrances or restrictions existing under or by reason of (i) any restrictions existing under the Loan Documents and the Senior Secured Loan Documents, (ii) any restrictions with respect to such Restricted Subsidiary imposed pursuant to an agreement that has been entered into in connection with the Disposition of all or substantially all of the Capital Stock or assets of such Restricted Subsidiary, (iii) customary net worth provisions contained in Real Property leases entered into by the Borrower and its Restricted Subsidiaries, so long as the Borrower has determined in good faith that such net worth provisions would not reasonably be expected to impair the ability of the Borrower and its Restricted Subsidiaries to meet their ongoing obligations, (iv) any restrictions contained in agreements related to Indebtedness of any Non-Guarantor Subsidiary not prohibited under Section 6.2 (in which case such restriction shall relate only to such Indebtedness and/or such Non-Guarantor Subsidiary and its Restricted Subsidiaries) or Indebtedness secured by Liens permitted by Sections 6.3(g) and 6.3(z), (v) any restrictions regarding licenses or sublicenses by the Borrower and its Restricted Subsidiaries of Intellectual Property in the ordinary course of business (in which case such restriction shall relate only to such Intellectual Property), (vi) Contractual Obligations incurred in the ordinary course of business which include customary provisions restricting the assignment of any agreement relating thereto, (vii) customary provisions contained in joint venture agreements and other similar agreements applicable to joint ventures entered into in the ordinary course of business, (viii) customary provisions restricting the subletting or assignment of any lease governing a leasehold interest, (ix) customary restrictions and conditions contained in any agreement relating to any Disposition of Property not prohibited hereunder, (x) any agreement in effect at the time any Person becomes a Restricted Subsidiary, so long as such agreement was not entered into in contemplation of such Person becoming a Restricted Subsidiary and (xi)

restrictions on cash or other deposits imposed by customers under contracts entered into in the ordinary course of business.

6.13 Lines of Business. Enter into any business, either directly or through any of its Restricted Subsidiaries, except for the Business or a business reasonably related thereto or that are reasonable extensions thereof.

6.14 Limitation on Hedge Agreements. Enter into any Hedge Agreement other than Hedge Agreements entered into in the ordinary course of business, and not for speculative purposes.

6.15 Limitation on Activities of Holdings. In the case of Holdings only, notwithstanding anything to the contrary in this Agreement or any other Loan Document, Holdings shall not, so long as the Commitments remain in effect or any Loan or other amount is owing to any Lender or any Agent hereunder (other than contingent or indemnification obligations not then due): conduct, transact or otherwise engage in, or commit to conduct, transact or otherwise engage in, any business or operations other than (i) those incidental to its ownership of the Capital Stock of the Borrower and the Subsidiaries of the Borrower and those incidental to Investments by or in Holdings permitted hereunder, (ii) activities incidental to the maintenance of its existence and compliance with applicable laws and legal, tax and accounting matters related thereto and activities relating to its employees, (iii) activities relating to the performance of obligations under the Loan Documents and the Senior Secured Loan Documents to which it is a party or expressly permitted thereunder, (iv) the making of Restricted Payments to the extent of Restricted Payments permitted to be made to Holdings pursuant to Section 6.6, (v) the receipt and payment of Restricted Payments permitted under Section 6.6, (vi) those related to the Transactions and in connection with the Merger Documents and other agreements contemplated thereby or hereby, (vii) to the extent that Section 6 expressly permits the Borrower or a Restricted Subsidiary to enter into a transaction with Holdings, (viii) activities in connection with or in preparation for an initial public offering and (ix) activities incidental to the foregoing activities.

#### SECTION 7. EVENTS OF DEFAULT

7.1 Events of Default. If any of the following events shall occur and be continuing:

(a) The Borrower shall fail to pay (i) any principal of any Loan when due in accordance with the terms hereof, or (ii) any interest owed by it on any Loan, or any other amount payable by it hereunder or under any other Loan Document, within five Business Days after any such interest or other amount becomes due in accordance with the terms hereof; or

(b) (i) On the Closing Date, any Specified Representation, and (ii) at any time after the Closing Date, any representation or warranty made or deemed made by any Loan Party herein or in any other Loan Document or that is contained in any certificate, document or financial or other statement furnished by it at any time under or in connection with this Agreement or any such other Loan Document, shall in either case prove to have been inaccurate in any material respect and such inaccuracy is adverse to the Lenders on or as of the date made or deemed made or furnished; or

(c) Any Loan Party shall default in the observance or performance of any agreement contained in Section 5.7(a) or Section 6; provided that, any Event of Default under Section 6.1 is subject to cure as contemplated by Section 7.2; or

(d) Any Loan Party shall default in the observance or performance of any other agreement contained in this Agreement or any other Loan Document (other than as provided in

paragraphs (a) through (c) of this Section 7.1), and such default shall continue unremedied for a period of 30 days after the earlier of the date that (x) such Loan Party receives from the Administrative Agent or the Required Lenders notice of the existence of such default or (y) a Responsible Officer of such Loan Party has knowledge thereof; or

(e) Holdings, the Borrower or any of its Restricted Subsidiaries shall (i) default in making any payment of any principal of any Indebtedness for Borrowed Money (excluding the Loans) on the scheduled or original due date with respect thereto; or (ii) default in making any payment of any interest on any such Indebtedness for Borrowed Money beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness for Borrowed Money was created; or (iii) default in the observance or performance of any other agreement or condition relating to any such Indebtedness for Borrowed Money or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event of default shall occur, the effect of which payment or other default or other event of default is to cause, or to permit the holder or beneficiary of such Indebtedness (or a trustee or agent on behalf of such holder or beneficiary) to cause, with the giving of notice if required, such Indebtedness for Borrowed Money to become due prior to its stated maturity or to become subject to a mandatory offer to purchase by the obligor thereunder or to become payable; provided that (A) a default, event or condition described in this paragraph shall not at any time constitute an Event of Default unless, at such time, one or more defaults or events of default of the type described in this paragraph shall have occurred and be continuing with respect to Indebtedness for Borrowed Money the outstanding principal amount of which individually exceeds \$30,000,000, and in the case of Indebtedness for Borrowed Money of the types described in clauses (i) and (ii) of the definition thereof, with respect to such Indebtedness which exceeds such amount either individually or in the aggregate and (B) this paragraph (e) shall not apply to (i) secured Indebtedness that becomes due as a result of the sale, transfer, destruction or other disposition of the Property or assets securing such Indebtedness for Borrowed Money if such sale, transfer, destruction or other disposition is not prohibited hereunder and under the documents providing for such Indebtedness or (ii) any Guarantee Obligations except to the extent such Guarantee Obligations shall become due and payable by any Loan Party and remain unpaid after any applicable grace period or period permitted following demand for the payment thereof; or

(f) (i) Holdings, the Borrower or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or Holdings, the Borrower or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against Holdings, the Borrower or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) any case, proceeding or other action of a nature referred to in clause (i) above that (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of 60 days; or (iii) there shall be commenced against Holdings, the Borrower or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against substantially all of its assets that results in the entry of an order for any such relief that shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) Holdings, the Borrower or any of its Restricted



Subsidiaries (other than any Immaterial Subsidiary) shall consent to or approve of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) Holdings, the Borrower or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(g) (i) Holdings, the Borrower or any of its Restricted Subsidiaries shall incur any liability in connection with any "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Plan, (ii) a failure to meet the minimum funding standards (as defined in Section 302(a) of ERISA), whether or not waived, shall exist with respect to any Single Employer Plan or any Lien in favor of the PBGC or a Plan shall arise on the assets of Holdings, the Borrower or any of its Restricted Subsidiaries, (iii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Single Employer Plan, which Reportable Event or commencement of proceedings or appointment of a trustee is reasonably likely to result in the termination of such Single Employer Plan for purposes of Title IV of ERISA, (iv) any Single Employer Plan shall terminate in a distress termination under Section 4041(c) of ERISA or in an involuntary termination by the PBGC under Section 4042 of ERISA, (v) Holdings, the Borrower or any of its Restricted Subsidiaries shall, or is reasonably likely to, incur any liability as a result of a withdrawal from, or the Insolvency or Reorganization of, a Multiemployer Plan or (vi) any other event or condition shall occur or exist with respect to a Plan or a Commonly Controlled Plan; and in each case in clauses (i) through (vi) above, such event or condition, together with all other such events or conditions, if any, could reasonably be expected to result in a direct obligation of Holdings, the Borrower or any of its Restricted Subsidiaries to pay money that could have a Material Adverse Effect; or

(h) One or more judgments or decrees shall be entered against Holdings, the Borrower or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) involving for Holdings, the Borrower and any such Restricted Subsidiaries taken as a whole a liability (not paid or fully covered by third-party insurance or effective indemnity) of \$30,000,000 (net of any amounts which are covered by insurance or an effective indemnity) or more, and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 30 days from the entry thereof; or

(i) The Guarantees pursuant to the Guarantee Agreement by any Loan Party shall cease to be in full force and effect (other than in accordance with the terms thereof) or shall be asserted in writing by any Loan Party not to be legal, valid and binding obligations;

then, and in any such event, (A) if such event is an Event of Default specified in clause (i) or (ii) of paragraph (f) above with respect to the Borrower, automatically the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents shall immediately become due and payable in full in cash, and (B) if such event is any other Event of Default, with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower, declare the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents to be due and payable forthwith, whereupon the same shall immediately become due and payable in full in cash. Except as expressly provided above in this Section 7.1 or otherwise in any Loan Document, presentment, demand and protest of any kind are hereby expressly waived by Holdings and the Borrower.

7.2 Specified Equity Contributions. For purposes of determining compliance with Section 6.1 only (and not any other provision of this Agreement, including any such other provision that utilizes a calculation of Consolidated EBITDA), any equity contribution (other than Disqualified Capital Stock) made by Holdings or any of the other direct or indirect equityholders of the Borrower to the Borrower, on or after the Closing Date and on or prior to the day that is 10 Business Days after the day on which financial statements are required to be delivered for such fiscal quarter pursuant to Section 5.1 shall, at the request of the Borrower, be deemed to increase, dollar for dollar, Consolidated EBITDA for such fiscal quarter for the purposes of determining compliance with Section 6.1 at the end of such fiscal quarter and applicable subsequent periods (it being understood that each such contribution shall be effective as to such fiscal quarter for all periods in which such fiscal quarter is included) (any such equity contribution so included in the calculation of Consolidated EBITDA, a "Specified Equity Contribution"); provided that (a) in each four fiscal quarter period there shall be a period of at least three fiscal quarters in which no Specified Equity Contribution is made, (b) the amount of any Specified Equity Contribution shall be no greater than the amount required to cause the Borrower to be in compliance with Section 6.1, (c) no more than four Specified Equity Contributions may be made in the aggregate prior to the Maturity Date, (d) Specified Equity Contributions shall not be included in cash, Cash Equivalents and Permitted Liquid Investments for purposes of calculating Consolidated Total Leverage and (e) all Specified Equity Contributions shall be disregarded for any purpose under this Agreement other than determining compliance with Section 6.1.

If, after the making of the Specified Equity Contribution and the recalculations of Consolidated EBITDA pursuant to the preceding paragraph, the Borrower shall then be in compliance with the requirements of Section 6.1, the Borrower shall be deemed to have satisfied the requirements of such covenant as of the relevant date of determination with the same effect as though there had been no failure to comply therewith at such date, and the applicable Event of Default that had occurred shall be deemed cured.

#### SECTION 8. THE ADMINISTRATIVE AGENT

8.1 Appointment. Each Lender hereby irrevocably designates and appoints the Administrative Agent as the agent of such Lender under the Loan Documents and each such Lender irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of the applicable Loan Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of the applicable Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Administrative Agent.

8.2 Delegation of Duties. The Administrative Agent may execute any of its duties under the applicable Loan Documents by or through any of its branches, agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys in-fact selected by it with reasonable care.

8.3 Exculpatory Provisions. The Administrative Agent and its officers, directors, employees, agents, attorneys-in-fact or affiliates shall not be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or any other Loan Document (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from its or such Person's own gross negligence or

willful misconduct) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by any Loan Party or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or any other Loan Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document or for any failure of any Loan Party a party thereto to perform its obligations hereunder or thereunder. The Administrative Agent shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the properties, books or records of any Loan Party.

8.4 Reliance by the Agents. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any instrument, writing, resolution, notice, consent, certificate, affidavit, letter, teletype, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to Holdings), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under the applicable Loan Document unless it shall first receive such advice or concurrence of the Required Lenders (or, if so specified by this Agreement, all Lenders or the Supermajority Lenders) as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under the applicable Loan Documents in accordance with a request of the Required Lenders (or, if so specified by this Agreement, all Lenders or the Supermajority Lenders), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans.

8.5 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default unless it has received written notice from a Lender, Holdings or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders (or, if so specified by this Agreement, all Lenders or the Supermajority Lenders); provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

8.6 Non-Reliance on the Administrative Agent and Other Lenders. Each Lender expressly acknowledges that the Administrative Agent and its respective officers, directors, employees, agents, attorneys-in-fact or affiliates have not made any representations or warranties to it and that no act by the Administrative Agent hereafter taken, including any review of the affairs of a Loan Party or any affiliate of a Loan Party, shall be deemed to constitute any representation or warranty by the Administrative Agent to any Lender. Each Lender represents to the Administrative Agent 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 appraisal of and investigation into the business, operations, Property, financial and other condition and creditworthiness of the Loan Parties and their affiliates and made its own decision to make its Loans hereunder and enter into

this Agreement. Each Lender also represents that it will, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under the applicable Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, Property, financial and other condition and creditworthiness of the Loan Parties and their affiliates. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, Property, condition (financial or otherwise), prospects or creditworthiness of any Loan Party or any affiliate of a Loan Party that may come into its possession or the possession of any of its officers, directors, employees, agents, attorneys-in-fact or affiliates.

8.7 Indemnification. The Lenders agree to indemnify the Administrative Agent in its capacity as such (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), ratably according to their respective Aggregate Exposure Percentages in effect on the date on which indemnification is sought under this Section 8.7 (or, if indemnification is sought after the date upon which the Loans shall have been paid in full, ratably in accordance with such Aggregate Exposure Percentages immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Loans) be imposed on, incurred by or asserted against the Administrative Agent in any way relating to or arising out of, the Loans, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Administrative Agent under or in connection with any of the foregoing; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the Administrative Agent's gross negligence or willful misconduct. The agreements in this Section 8.7 shall survive the payment of the Loans and all other amounts payable hereunder.

8.8 The Administrative Agent in Its Individual Capacity. The Administrative Agent and its affiliates may make loans to, accept deposits from and generally engage in any kind of business with any Loan Party as though it were not the Administrative Agent. With respect to its Loans made or renewed by it the Administrative Agent shall have the same rights and powers under the applicable Loan Documents as any Lender and may exercise the same as though it were not the Administrative Agent, and the terms "Lender" and "Lenders" shall include the Administrative Agent in its individual capacity.

8.9 Successor Agent. The Administrative Agent may resign upon 30 days' notice to the Lenders and the Borrower effective upon appointment of a successor Administrative Agent. Upon receipt of any such notice of resignation, the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders, which successor agent shall (unless an Event of Default under Section 7.1(a) or Section 7.1(f) with respect to the Borrower shall have occurred and be continuing) be subject to approval by the Borrower (which approval shall not be unreasonably withheld or delayed), whereupon such successor agent shall succeed to the rights, powers and duties of such retiring Administrative Agent, and the retiring Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such retiring Administrative Agent or any of the parties to this Agreement or any holders of the Loans. If no successor Administrative Agent shall have been so appointed by the Required Lenders with such consent of the Borrower and shall have accepted such appointment within 30 days after the retiring Administrative Agent's giving of notice of resignation, then the retiring Administrative Agent may, on behalf of the Lenders and with the consent of the Borrower (such consent not to be unreasonably withheld or delayed), appoint a successor Administrative

Agent, that shall be a bank that has an office in New York, New York with a combined capital and surplus of at least \$500,000,000. After any retiring Administrative Agent's resignation as Administrative Agent, the provisions of this Section 8 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement and the other Loan Documents.

8.10 Authorization to Release Guarantees. The Administrative Agents is hereby irrevocably authorized by each of the Lenders to effect any release of Guarantee Obligations contemplated by Section 9.15.

#### SECTION 9. MISCELLANEOUS

9.1 Amendments and Waivers. (a) Neither this Agreement, any other Loan Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 9.1. The Required Lenders and each Loan Party party to the relevant Loan Document may, or, with the written consent of the Required Lenders, the Administrative Agent and each Loan Party party to the relevant Loan Document may, from time to time, (a) enter into written amendments, supplements or modifications hereto and to the other Loan Documents for the purpose of adding any provisions to this Agreement or the other Loan Documents or changing in any manner the rights or obligations of the Administrative Agent, the Lenders or of the Loan Parties or their Subsidiaries hereunder or thereunder or (b) waive, on such terms and conditions as the Required Lenders or the Administrative Agent may specify in such instrument, any of the requirements of this Agreement or the other Loan Documents or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall (i) forgive or reduce the principal amount or extend the final scheduled date of maturity of any Loan, reduce the stated rate of any interest, fee or premium payable hereunder (except in connection with the waiver of applicability of any post-default increase in interest rates (which waiver shall be effective with the consent of the Required Lenders)) or extend the scheduled date of any payment thereof, or increase the amount or extend the expiration date of any Lender's Commitment, in each case without the written consent of each Lender directly and adversely affected thereby; (ii) amend, modify or waive any provision of paragraph (a) of this Section 9.1 without the written consent of all Lenders; (iii) reduce any percentage specified in the definition of Required Lenders, consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement and the other Loan Documents, or release all or substantially all of the Guarantors from their obligations under the Guarantee Agreement, in each case without the written consent of all Lenders (other than to the extent permitted by Section 6.4); (iv) amend, modify or waive any provision of paragraph (a) of Section 2.9 without the written consent of all Lenders adversely affected thereby; (v) amend, modify or waive any provision of Section 8 without the written consent of the Administrative Agent; or (vi) amend the definition of "Change of Control" or amend, modify or waive the provisions of Section 2.6 without the written consent of Lenders holding more than 66-2/3% of the Commitments and Loans then outstanding (the "Supermajority Lenders"); provided that determinations of the "Supermajority Lenders" shall exclude any Commitments or Loans held by any Carlyle Fund. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Lenders and shall be binding upon the Loan Parties, the Lenders, the Administrative Agent and all future holders of the Loans. In the case of any waiver, the Loan Parties, the Lenders and the Administrative Agent shall be restored to their former position and rights hereunder and under the other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing unless limited by the terms of such waiver; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.

(b) Furthermore, notwithstanding the foregoing, if following the Closing Date, the Administrative Agent and the Borrower shall have jointly identified an obvious error or any error or omission of a technical or immaterial nature, in each case, in any provision of this Agreement or any other

Loan Document, then the Administrative Agent and the Borrower shall be permitted to amend such provision and such amendment shall become effective without any further action or consent of any other party to this Agreement or any other Loan Document if the same is not objected to in writing by the Required Lenders within five Business Days following receipt of notice thereof; it being understood that posting such amendment electronically on IntraLinks/IntraAgency or another relevant website with notice of such posting by the Administrative Agent to the Required Lenders shall be deemed adequate receipt of notice of such amendment.

9.2 Notices. (a) All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered, or three Business Days after being deposited in the mail, postage prepaid, or, in the case of telecopy notice, when received, addressed as follows in the case of Holdings, the Borrower, the Administrative Agent, and as set forth in an administrative questionnaire delivered to the Administrative Agent in the case of the Lenders, or to such other address as may be hereafter notified by the respective parties hereto:

Holdings: Explorer Investor Corporation  
1001 Pennsylvania Avenue, NW  
Washington, DC 20004  
Attention: Ian Fujiyama  
Telecopy: (202) 347-9250  
Telephone: (202) 729-5426

in each case with a copy to:

The Carlyle Group  
1001 Pennsylvania Avenue, NW  
Washington, DC 20004  
Attention: Ian Fujiyama  
Telecopy: (202) 347-9250  
Telephone: (202) 729-5426

With a copy to: Debevoise & Plimpton LLP  
919 Third Avenue  
New York, NY 10022  
Attention: Gregory H. Woods III  
Telecopy: (212) 521-7643  
Telephone: (212) 909-6643

The Borrower: Booz Allen Hamilton Inc.  
8283 Greensboro Drive  
McLean VA 22102  
Attention: Sam Strickland  
Telecopy: (703) 902-3011  
Telephone: (703) 902-4700

in each case with a copy to:

The Carlyle Group  
1001 Pennsylvania Avenue, NW  
Washington, DC 20004

Attention: Ian Fujiyama  
Telecopy: (202) 347-9250  
Telephone: (202) 729-5426

With a copy to:

Debevoise & Plimpton LLP  
919 Third Avenue  
New York, NY 10022  
Attention: Gregory H. Woods III  
Telecopy: (212) 521-7643  
Telephone: (212) 909-6643

The Administrative Agent:

Credit Suisse  
One Madison Avenue, New York, NY 10010  
Attention: Agency Manager  
Telecopy: (212) 322-2291  
Email: agency.loanops@credit-suisse.com

provided that any notice, request or demand to or upon the Administrative Agent, the Lenders, Holdings or the Borrower shall not be effective until received.

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Section 2 unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent, Holdings or the Borrower may, in its 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.

9.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

9.4 Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Loan Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans hereunder.

9.5 Payment of Expenses; Indemnification. Except with respect to Taxes which are addressed in Section 2.10, the Borrower agrees (a) to pay or reimburse the Administrative Agent for all of its reasonable and documented out-of-pocket costs and expenses incurred in connection with the syndication of the Facility (other than fees payable to syndicate members) and the development, preparation, execution and delivery of this Agreement and the other Loan Documents and any other documents prepared in connection herewith or therewith and any amendment, supplement or modification thereto, and, as to the Administrative Agent only, the administration of the transactions contemplated hereby and thereby, including, without limitation, the reasonable fees and disbursements and other charges of a single firm of counsel to the Agents (plus one firm of special regulatory counsel and one firm

of local counsel per material jurisdiction as may reasonably be necessary in connection with collateral matters) in connection with all of the foregoing, (b) to pay or reimburse each Lender and the Administrative Agent for all its reasonable and documented out-of-pocket costs and expenses incurred in connection with the enforcement of any rights under this Agreement, the other Loan Documents and any such other documents, including, without limitation, the documented fees and disbursements of a single firm of counsel and, if necessary, a single firm of special regulatory counsel and a single firm of local counsel per material jurisdiction as may reasonably be necessary, for the Administrative Agent and the Lenders, taken as a whole, and (c) to pay, indemnify or reimburse each Lender, the Administrative Agent, each Lead Arranger and their respective affiliates, and their respective officers, directors, employees, trustees, advisors, agents and controlling Persons (each, an "Indemnitee") for, and hold each Indemnitee harmless from and against any and all other liabilities, obligations, losses, damages, penalties, costs, expenses or disbursements arising out of any actions, judgments or suits of any kind or nature whatsoever, arising out of or in connection with any claim, action or proceeding relating to or otherwise with respect to the execution, delivery, enforcement, performance and administration of this Agreement, the other Loan Documents and any such other documents, including, without limitation, any of the foregoing relating to the use of proceeds of the Loans or the violation of, noncompliance with or liability under, any Environmental Law applicable to the operations of the Borrower, any of its Subsidiaries or any of the Properties and the fees and disbursements and other charges of legal counsel in connection with claims, actions or proceedings by any Indemnitee against Holdings or the Borrower hereunder (all the foregoing in this clause (c), collectively, the "Indemnified Liabilities"); provided that, neither Holdings nor the Borrower shall have any obligation hereunder to any Indemnitee with respect to Indemnified Liabilities to the extent such Indemnified Liabilities are found by a court of competent jurisdiction to have resulted from (i) the gross negligence, bad faith or willful misconduct of such Indemnitee or its Related Persons, (ii) a material breach of the Loan Documents by such Indemnitee or its Related Persons or (iii) disputes solely among Indemnitees or their Related Persons (it being understood that this clause (iii) shall not apply to the indemnification of the Administrative Agent or Lead Arranger in a suit involving the Administrative Agent or Lead Arranger in its capacity as such). For purposes hereof, a "Related Person" of an Indemnitee means (i) if the Indemnitee is the Administrative Agent or any of its affiliates or their respective officers, directors, employees, agents and controlling Persons, any of the Administrative Agent and its affiliates and their respective officers, directors, employees, agents and controlling Persons, and (ii) if the Indemnitee is any Lender or any of its affiliates or their respective officers, directors, employees, agents and controlling Persons, any of such Lender and its affiliates and their respective officers, directors, employees, agents and controlling Persons. All amounts due under this Section 9.5 shall be payable promptly after receipt of a reasonably detailed invoice therefor. Statements payable by the Borrower pursuant to this Section 9.5 shall be submitted to the Borrower at the address thereof set forth in Section 9.2, or to such other Person or address as may be hereafter designated by the Borrower in a written notice to the Administrative Agent. The agreements in this Section 9.5 shall survive repayment of the Obligations.

**9.6 Successors and Assigns; Participations and Assignments.** (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, except that (i) the Borrower may not 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 the 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 9.6.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may, in compliance with applicable law, assign (other than to any Disqualified Institution or a natural person) to one or more assignees (each, an "Assignee"), all or a portion of its rights and obligations under this



Agreement (including all or a portion of its Commitments and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld or delayed) of:

(A) the Borrower; provided that no consent of the Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund (as defined below), or, if an Event of Default under Section 7.1(a) or 7.1(f) has occurred and is continuing, any other Person; and

(B) the Administrative Agent; provided that no consent of the Administrative Agent shall be required for an assignment to (x) a Lender, an Affiliate of a Lender or an Approved Fund or (y) Holdings, the Borrower or a Subsidiary of the Borrower in connection with a purchase of Loans pursuant to Section 2.5(d).

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitments or Loans under any Facility, the amount of the Loans of the assigning Lender subject to each such assignment (determined as of (I) the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or (II) if earlier, the "trade date" (if any) specified in such Assignment and Assumption) shall not be less than \$1,000,000, unless the Borrower and the Administrative Agent otherwise consent; provided that (1) no such consent of the Borrower shall be required if an Event of Default under Section 7.1(a) or 7.1(f) has occurred and is continuing and (2) such amount shall be aggregated in respect of each Lender and its Affiliates or Approved Funds, if any;

(B) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption via an electronic settlement system acceptable to the Administrative Agent and the Borrower (or, at the Borrower's request, manually) together with a processing and recordation fee of \$3,500 (which fee may be waived or reduced in the sole discretion of the Administrative Agent); provided that only one such fee shall be payable in the case of contemporaneous assignments to or by two or more related Approved Funds; and

(C) the Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an administrative questionnaire and all applicable tax forms; provided that the provisions of this clause (ii) shall not apply to an assignment to Holdings or a Subsidiary of the Borrower in connection with a purchase of Loans pursuant to Section 2.5(d).

For the purposes of this Section 9.6, "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 and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) (i) an entity or an Affiliate of an entity that administers or manages a Lender or (ii) an entity or an Affiliate of an entity that is the investment advisor to a Lender. Notwithstanding the foregoing, no Lender shall be permitted to make assignments under this Agreement to any Disqualified Institutions.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) below, 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 subject to the obligations under and entitled to the benefits of Sections 2.10 and 9.5). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.6 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 9.6 (and will be required to comply therewith).

(iv) The Administrative Agent, acting for this purpose as an agent of the 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 principal amount of the Loans owing to each Lender pursuant to the terms hereof from time to time (the "Register"). Holdings, the Borrower, the Administrative Agent and the Lenders may 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 (and the entries in the Register shall be conclusive absent demonstrable error for such purposes), notwithstanding notice to the contrary. The Register shall be available for inspection by Holdings, the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an Assignee, the Assignee's completed administrative questionnaire (unless the Assignee shall already be a Lender hereunder) and all applicable tax forms, the processing and recordation fee referred to in paragraph (b) of this Section 9.6 and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and promptly record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) (i) Any Lender may, without the consent of the Borrower or the Administrative Agent, in compliance with applicable law, sell participations (other than to any Disqualified Institution) to one or more banks or other entities (a "Participant"), in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its 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 and (C) the Borrower, the Administrative Agent 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. Any agreement 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 may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver that (1) requires the consent of each Lender directly and adversely affected thereby pursuant to the proviso to the second sentence of Section 9.1 and (2) directly affects such Participant. Subject to paragraph (c)(ii) of this Section 9.6, the Borrower agrees that each Participant shall be entitled to the benefits of Section 2.10 (if such Participant agrees to have related obligations thereunder) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section 9.6. Notwithstanding the foregoing, no Lender shall be permitted to sell participations under this Agreement to any Disqualified Institutions.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.10 than the applicable Lender would have been entitled to receive with respect to the participation

sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent to such greater amounts. No Participant shall be entitled to the benefits of Section 2.10 unless such Participant complies with Section 2.10(d) or (e), as (and to the extent) applicable, as if such Participant were a Lender.

(d) Any Lender may, without the consent of or notice to the Administrative Agent or the Borrower, 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 any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section 9.6 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.

(e) The Borrower, upon receipt of written notice from the relevant Lender, agrees to issue Notes to any Lender requiring the same (in the case of an assignment, following surrender by the assigning Lender of all Notes representing its assigned interests).

(f) The Borrower may prohibit any assignment if it would require the Borrower to make any filing with any Governmental Authority or qualify any Loan or Note under the laws of any jurisdiction and the Borrower shall be entitled to request and receive such information and assurances as it may reasonably request from any Lender or any Assignee to determine whether any such filing or qualification is required or whether any assignment is otherwise in accordance with applicable law.

(g) Notwithstanding anything to the contrary contained herein, other than pursuant to Section 2.5(d), none of Holdings, the Borrower or any of its Subsidiaries may acquire by assignment, participation or otherwise any right to or interest in any of the Commitments or Loans hereunder (and any such attempted acquisition shall be null and void).

9.7 Adjustments; Set-off. (a) Except to the extent that this Agreement provides for payments to be allocated to a particular Lender, if any Lender (a "Benefited Lender") shall at any time receive any payment of all or part of the Obligations owing to it, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by setoff, pursuant to events or proceedings of the nature referred to in Section 7.1(f), or otherwise) in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of such other Lender's Obligations, such Benefited Lender shall purchase for cash from the other Lenders a participating interest in such portion of each such other Lender's Obligations, or shall provide such other Lenders with the benefits of any such collateral, as shall be necessary to cause such Benefited Lender to share the excess payment or benefits of such collateral ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefited Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) In addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without prior notice to the Borrower, any such notice being expressly waived by the Borrower to the extent permitted by applicable law, upon any amount becoming due and payable by the Borrower hereunder (whether at the stated maturity, by acceleration or otherwise) after the expiration of any cure or grace periods, to set off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final but excluding trust accounts), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any affiliate, branch or agency thereof to or for the credit or the account of the Borrower. Each Lender agrees promptly to notify the Borrower and the Administrative Agent after any such setoff and application made

by such Lender; provided that the failure to give such notice shall not affect the validity of such setoff and application.

9.8 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement by facsimile or electronic (i.e. "pdf") transmission shall be effective as delivery of a manually executed counterpart hereof. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

9.9 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

9.10 Integration. This Agreement and the other Loan Documents represent the entire agreement of Holdings, the Borrower, the Administrative Agent and the Lenders with respect to the subject matter hereof and thereof.

9.11 **GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS TO THE EXTENT THAT THE SAME ARE NOT MANDATORILY APPLICABLE BY STATUTE AND THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.**

9.12 Submission to Jurisdiction; Waivers. Each of Holdings and the Borrower hereby irrevocably and unconditionally:

(a) submits for itself and its Property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to it at its address set forth in Section 9.2 or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 9.12 any special, exemplary, punitive or consequential damages.

9.13 Acknowledgments. Each of Holdings and the Borrower hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents;

(b) neither the Agents nor any Lender has any fiduciary relationship with or duty to either of Holdings or the Borrower arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Agents and Lenders, on one hand, and Holdings and the Borrower, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among Holdings, the Borrower and the Lenders.

9.14 Confidentiality. The Agents and the Lenders agree to treat any and all information, regardless of the medium or form of communication, that is disclosed, provided or furnished, directly or indirectly, by or on behalf of Holdings or any of its affiliates in connection with this Agreement or the transactions contemplated hereby whether furnished before or after the Closing Date ("Confidential Information"), strictly confidential and not to use Confidential Information for any purpose other than evaluating the Merger Transactions and negotiating, making available, syndicating and administering this Agreement (the "Agreed Purposes"). Without limiting the foregoing, each Agent and each Lender agrees to treat any and all Confidential Information with adequate means to preserve its confidentiality, and each Agent and each Lender agrees not to disclose Confidential Information, at any time, in any manner whatsoever, directly or indirectly, to any other Person whomsoever, except (1) to its directors, officers, employees, counsel, advisors, trustees, affiliates and other representatives (collectively, the "Representatives"), to the extent necessary to permit such Representatives to assist in connection with the Agreed Purposes (it being understood that the Representatives to whom such disclosure is made will be informed of the confidential nature of such Confidential Information and instructed to keep such Confidential Information confidential), (2) to any pledgee referred to in Section 9.6(d) and prospective Lenders and participants in connection with the syndication (including secondary trading) of the Facility and Loans hereunder, in each case who are informed of the confidential nature of the information and agree to observe and be bound by standard confidentiality terms, (3) upon the request or demand of any Governmental Authority having or purporting to have jurisdiction over it, (4) in response to any order of any Governmental Authority or as may otherwise be required pursuant to any Requirement of Law, (5) to the extent reasonably required or necessary, in connection with any litigation or similar proceeding relating to the Facility, (6) that has been publicly disclosed other than in breach of this Section 9.14, (7) to the National Association of Insurance Commissioners or any similar organization or any nationally recognized rating agency that requires access to information about a Lender's investment portfolio in connection with ratings issued with respect to such Lender or in connection with examinations or audits of such Lender or (8) to the extent reasonably required or necessary, in connection with the exercise of any remedy under the Loan Documents. Each Agent and each Lender acknowledges that (i) Confidential Information includes information that is not otherwise publicly available and that such non-public information may constitute confidential business information which is proprietary to the Borrower and (ii) the Borrower has advised the Agents and the Lenders that it is relying on the Confidential Information for its success and would not disclose the Confidential Information to the Agents and the Lenders without

the confidentiality provisions of this Agreement. All information, including requests for waivers and amendments, furnished by the Borrower 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 Borrower and its Affiliates and their related parties or their respective securities. Accordingly, each Lender represents to the Borrower 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, including Federal and state securities laws.

9.15 Release of Guarantee Obligations. (a) Notwithstanding anything to the contrary contained herein or in any other Loan Document, upon request of the Borrower in connection with any Disposition of Property permitted by the Loan Documents, the Administrative Agent shall (without notice to, or vote or consent of, any Lender, or any affiliate of any Lender that is a party to any Specified Hedge Agreement or contingent or indemnification obligations not then due) take such actions as shall be required to release any Guarantee Obligations under any Loan Document of any Person being Disposed of in such Disposition, to the extent necessary to permit consummation of such Disposition in accordance with the Loan Documents. Any representation, warranty or covenant contained in any Loan Document relating to any such Property so Disposed of (other than Property Disposed of to the Borrower or any of its Restricted Subsidiaries) shall no longer be deemed to be repeated once such Property is so Disposed of.

(b) Notwithstanding anything to the contrary contained herein or any other Loan Document, when all Obligations (other than any contingent or indemnification obligations not then due) have been paid in full, upon request of Holdings or the Borrower, the Administrative Agent shall take such actions as shall be required to release all Guarantee Obligations under any Loan Document, whether or not on the date of such release there may be contingent or indemnification obligations not then due. Any such release of Guarantee Obligations shall be deemed subject to the provision that such Guarantee Obligations shall be reinstated if after such release any portion of any payment in respect of the Obligations guaranteed thereby shall be rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower or any Guarantor or any substantial part of its Property, or otherwise, all as though such payment had not been made.

9.16 Accounting Changes. In the event that any Accounting Change (as defined below) shall occur and such change results in a change in the method of calculation of financial ratios, standards or terms in this Agreement, then the Borrower and the Administrative Agent agree to enter into negotiations in order to amend such provisions of this Agreement so as to equitably reflect such Accounting Changes with the desired result that the criteria for evaluating the Borrower's financial condition shall be the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as such an amendment shall have been executed and delivered by the Borrower, the Administrative Agent and the Required Lenders, all financial ratios, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Changes had not occurred. "Accounting Changes" refers to changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or, if applicable, the SEC.

9.17 **WAIVERS OF JURY TRIAL. EACH OF HOLDINGS, THE BORROWER, THE AGENTS AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING**

**RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.**

9.18 USA PATRIOT ACT. Each Lender hereby notifies the Loan Parties that pursuant to the requirements of the USA Patriot Act (Title III of Publ. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies the Loan Parties, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Loan Parties in accordance with the Act.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

EXPLORER INVESTOR CORPORATION,  
as Holdings

By: /s/ Ian Fujiyama

Name: Ian Fujiyama

Title: Vice President

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EXPLORER MERGER SUB CORPORATION,  
as Initial Borrower

By: /s/ Ian Fujiyama

Name: Ian Fujiyama

Title: Vice President

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BOOZ ALLEN HAMILTON INC.,  
as Surviving Borrower

By: /s/ Ralph Shrader

Name: Ralph Shrader

Title: Chairman and Chief Executive Officer

By: /s/ CG Appleby

Name: CG Appleby

Title: Secretary

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CREDIT SUISSE, CAYMAN ISLANDS BRANCH,  
as Administrative Agent and a Lender

By: /s/ John D. Toronto

Name: John D. Toronto

Title: Director

By: /s/ Shaheen Malik

Name: Shaheen Malik

Title: Associate

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LEHMAN BROTHERS COMMERCIAL BANK,  
as a Lender

By: /s/ Darren S. Lane

Name: Darren S. Lane

Title: Operations Officer

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SCHEDULES

to

MEZZANINE CREDIT AGREEMENT<sup>1</sup>

among

EXPLORER INVESTOR CORPORATION,  
EXPLORER MERGER SUB CORPORATION,  
as the Initial Borrower,

BOOZ ALLEN HAMILTON INC.,  
as the Surviving Borrower,

The Several Lenders from Time to Time Parties Hereto,

and

CREDIT SUISSE, CAYMAN ISLANDS BRANCH,  
as Administrative Agent

Dated as of July 31, 2008

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BANC OF AMERICA SECURITIES, LLC,  
CREDIT SUISSE SECURITIES (USA) LLC,  
and  
LEHMAN BROTHERS INC.  
as Joint Lead Arrangers and Joint Bookrunners

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<sup>1</sup> Capitalized terms used but not defined in this Disclosure Schedule shall have the meanings assigned in the Mezzanine Credit Agreement

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Excluded Subsidiaries

Booz Allen Hamilton Intellectual Property Holdings, LLC

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Commitments

<u>Lender</u>	<u>Commitment</u>
Credit Suisse	\$366,666,666.67
Lehman Brothers Commercial Bank	\$183,333,333.33
<b>Total</b>	<b>\$550,000,000.00</b>

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Existence; Compliance with Law

Booz Allen Transportation Inc. is not in good standing due to New York State franchise tax returns missing and franchise tax payments past due for the following periods: 9/30/1989 and 10/31/2002 including 9/30/2002, 9/30/2003 and 3/31/2006 MTA Surcharge Reports.

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Consents, Authorizations, Filings and Notices

Government Approvals:

None.

Consents:

None.

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Litigation

None.

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Excepted Property.

None.

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Owned Real Property

None.

Leased Real Property

<u>OFFICE</u>	<u>ADDRESS</u>	<u>LOCATION</u>	<u>ZIP CODE</u>	<u>Commencement/ Renewal Date</u>	<u>Expiry Date</u>
EXEC SUITE 7	6565 Americas Parkway, 215 — 218	Albuquerque, NM	87110	12/1/2006, 10/1/2007	9/30/2008
OFFICE	6363 Walker Lane	Alexandria, VA	22301	3/6/2007	7/31/2012
OFFICE	134 National Business Parkway, Suite 100, 200 & 300	Annapolis Junction, MD	20701	5/19/1999	9/30/2009
OFFICE	304 Sentinel Drive	Annapolis Junction, MD	20701	1/1/2006	12/31/2015
OFFICE	2345 Crystal Drive, Suite 913	Arlington, VA	22202	6/1/1994, 4/1/2007	3/31/2011
OFFICE	1530 Wilson Boulevard, Suite 100	Arlington, VA	22209	10/10/2003	10/31/2008
OFFICE	3811 N. Fairfax Drive (10th Fl)	Arlington, VA	22203	11/14/2002	11/30/2009
OFFICE	4001 N. Fairfax Drive, Suite 750	Arlington, VA	22203	10/1/1995	12/31/2010
OFFICE	3811 N. Fairfax Drive, Suite 600 (6th Fl)	Arlington, VA	22203	11/14/2001, 2/20/2007	11/30/2011
OFFICE	1550 Crystal Drive, Suite 1100	Arlington, VA	22202	2/1/1994, 1/1/2007	12/31/2011
DUPLICATE	1550 Crystal Drive, Suite 1205	Arlington, VA	22202	9/1/1998, 1/1/2007	12/31/2011
OFFICE	33 Pervaya Magistralnaya Street, Suite 1002	Astana, Kazakhstan		1/1/2007	12/31/2008
OFFICE 7	230 Peachtree Street, Suite 2100	Atlanta, GA	30303	7/1/1999, 7/1/2004	6/30/2012

OFFICE	ADDRESS	LOCATION	ZIP CODE	Commencement/ Renewal Date	Expiry Date
APARTMENT 3.1	J. Jabbarly Street, 44	Baku, Azerbaijan		9/1/2006	11/30/2008
DIRECT CHARGE — Storage	201 N. Charles Street	Baltimore, MD	21201	6/18/1997, 5/25/2005	M-T-M
OFFICE	201 N. Charles Street, Suite 1201	Baltimore, MD	21201	6/1/1996, 6/6/2007	9/30/2010
OFFICE 7	4692 Millenium Drive, Suite 200	Belcamp, MD		4/1/2006	3/31/2013
EXPANSION SPACE	4692 Millenium Drive, Suite 300	Belcamp, MD		4/1/2008	3/31/2013
USAID OFFICE	24, Smiljaniceva Street	Belgrade, Serbia		9/1/2006	1st floor: 9/30/2010; 2nd floor: 9/30/2008
USAID OFFICE	17, Dalmatiuska Street	Belgrade, Serbia		3/1/2008	2/28/2011
OFFICE	22 Battery March Street, 2nd and 5th Floors	Boston, MA	02109	3/1/2000	2/28/2010
STORAGE	22 Battery March Street	Boston, MA	02109	6/15/2000	2/28/2010
EXEC SUITE	35 Corporate Drive, 4th floor	Burlington, MA	1803	8/1/2006, 1/1/2008	12/31/2008
OFFICE	15059 Conference Center Drive, 3rd Floor	Chantilly, VA	22021	4/1/2001, 4/1/2008	3/31/2013
OFFICE	Ashley Center, 4401 Belle Oaks Drive, Suite 310	Charleston, SC	29405	9/1/2002, 9/1/2007	8/31/2012
OFFICE	1001 Research Park Blvd, Suite 300	Charlottesville, VA	22911	2/12/2007	2/28/2012
DIRECT CHARGE 1	1450 Academy Park Loop, 2nd Floor	Colorado Springs, CO	80910	12/15/2004, 10/1/2007	8/31/2008
OFFICE	121 South Tejon Street (Plaza of the Rockies) (9th fl)	Colorado Springs, CO	80910	10/28/2002, 5/1/2004	4/30/2009
DUPLICATE	121 South Tejon Street (Plaza of the Rockies) 11th Fl	Colorado Springs, CO	80910	12/18/2006	12/31/2011
DUPLICATE	121 South Tejon Street (Plaza of the Rockies) (10th fl)	Colorado Springs, CO	80910	10/1/2003	5/31/2014
DIRECT CHARGE / License Agreement	1050 North Newport Drive	Colorado Springs, CO	80916	9/1/2007	M-T-M

<u>OFFICE</u>	<u>ADDRESS</u>	<u>LOCATION</u>	<u>ZIP CODE</u>	<u>Commencement/ Renewal Date</u>	<u>Expiry Date</u>
OFFICE 1	1900 Founders Drive, Suite 300	Dayton, OH (Kettering)	45420	12/1/2002, 2/1/2008	11/30/2012
Direct Charge	17286 Dumfries Road	Dumfries, VA	22026	9/1/2006	M-T-M
EXECUTIVE SUITE	2530 Meridian Parkway	Durham, NC	27713	5/13/2008	9/30/2008
OFFICE	151 Industrial Way East	Eatontown, NJ	07724	7/9/1993, 5/1/2004	4/30/2009
DUPLICATE	151 Industrial Way East, Building C	Eatontown, NJ	07724	10/20/2006	4/30/2009
DIRECT CHARGE / License Agreement 5	2350 E. El Segundo Boulevard	El Segundo, CA	90245	10/1/2004, 10/1/2007	9/30/2010
OFFICE 1	5201 Leesburg Pike, Suite 400	Falls Church, VA	22041	4/1/1998, 4/1/2002, 4/1/2007	6/30/2009
DIRECT CHARGE — Storage	Skyline 3, 5201 Leesburg Pike	Falls Church, VA	22041	9/1/2001	6/14/2009
DIRECT CHARGE — Storage	Skyline 5, 5111 Leesburg Pike, B100	Falls Church, VA	22041	9/1/2001	6/14/2009
OFFICE	5205 Leesburg Pike, Suite 402	Falls Church, VA	22041	1/1/2001	12/31/2010
EXECUTIVE SUITE	5235 Westview Drive, Suite 100	Frederick, MD	21073	7/14/2008	7/31/2009
OFFICE	5299 DTC Boulevard, Suite 410	Greenwood Village, CO	80111	9/22/1997, 10/1/2007	9/30/2010
OFFICE 1	1331 Ashton Road, Ste C&E	Hanover, MD	21076	10/15/1998, 10/1/2007	9/30/2008
OFFICE	13200 Woodland Park Road	Herndon, VA	20171	7/19/2004	12/31/2015
DUPLICATE 1, 2	737 Bishop Street, Suite 2800, Mauka Tower	Honolulu, HI	96813	8/7/2000, 4/22/2003, 6/6/2008	8/31/2009
OFFICE	733 Bishop Street, Suite 3000, Makai Tower	Honolulu, HI	96813	3/1/2005	8/31/2009
OFFICE	2525 Bay Area Boulevard, Suite 290	Houston, TX	77058	4/1/1992, 4/1/2008	8/31/2008 (negotiating 1-yr. extension)

<u>OFFICE</u>	<u>ADDRESS</u>	<u>LOCATION</u>	<u>ZIP CODE</u>	<u>Commencement/ Renewal Date</u>	<u>Expiry Date</u>
OFFICE9	2625 Bay Area Boulevard, Suite 550	Houston, TX	77058	4/1/2007, 4/1/2008	8/31/2008
OFFICE	Cummings Research Park, Suite 200, 6703 Odyssey Drive	Huntsville, AL	35806	10/24/2003, 2/1/2007	1/31/2012
EXEC SUITE	8888 Keystone Crossing, Suite 1300	Indianapolis, IN	46240	9/1/2006, 6/14/2007	7/31/2009
OFFICE	7th Floor, Menara BDN, Jl. M.H. Thamrin No. 5, Jakarta Pusat	Jakarta, Indonesia	10340	12/1/2006	9/30/2009
OFFICE	1 Pasquerilla Plaza, Suite 128	Johnstown, PA	15901	10/15/2005	10/31/2010
EXEC SUITE	2300 Main Street, Suite 900	Kansas City, MO	64108	2/1/2007, 2/1/2008	1/31/2009
OFFICE	12B/V Igorivska Street, 5th Floor	Kiev, Ukraine		4/1/2007	12/9/2008
OFFICE	9500 Hillwood Drive, Suite 140	Las Vegas, NV	89134	4/13/2004, 5/1/2007	4/30/2010
OFFICE 7	The Abemathy Bldg., 1122 North Second St.	Leavenworth, KS	66048	7/1/2001, 7/22/2005, 9/1/2007	7/31/2010
OFFICE	46950 Bradley Blvd	Lexington Park, MD	20653	10/1/1991	9/30/2008
DUPLICATE	46950 Bradley Blvd, Building #2	Lexington Park, MD	20653	12/1/1998	9/30/2008
TEMP OFFICE	46610 Expedition Drive, Suite 100	Lexington Park, MD	20653	9/15/2006	9/30/2008
Sublease 1 office	46610 Expedition Drive, Suite 101	Lexington Park, MD	20653	1/1/2007	M-T-M
DUPLICATE	900 Elk Ridge Landing Road, Airport Square II	Linthicum, MD	21090	8/26/1996	9/30/2008
OFFICE	900 Elk Ridge Landing Road, Airport Square II	Linthicum, MD	21090	9/1/2003	9/30/2008
OFFICE	515 S. Flower Street, 36th Floor (REGUS)	Los Angeles, CA	90071	4/15/08	4/30/2009
DUPLICATE	5220 Pacific Concourse Drive, Suite 390	Los Angeles, CA	90045	9/28/92, 10/1/07	7/31/2009
OFFICE	5220 Pacific Concourse Drive, 2nd Floor	Los Angeles, CA	90045	7/13/04	7/31/2009
OFFICE	8281 Greensboro Drive	McLean, VA	22102	1/1/1992	12/31/2010
OFFICE	8251 Greensboro Drive	McLean, VA	22102	6/4/1993	12/31/2010
DUPLICATE	8251 Greensboro Drive	McLean, VA	22102	5/1/2004	12/31/2010
OFFICE	8283 Greensboro Drive	McLean, VA	22102	1/21/1996	1/31/2011

<u>OFFICE</u>	<u>ADDRESS</u>	<u>LOCATION</u>	<u>ZIP CODE</u>	<u>Commencement/ Renewal Date</u>	<u>Expiry Date</u>
OFFICE	8285 Greensboro Drive	McLean, VA	22102	1/2/2000	1/31/2012
OFFICE	8255 Greensboro Drive	McLean, VA	22102	4/2/2002	6/30/2014
EXEC SUITE	6767 N. Wickham Road, Suite A-401	Melbourne, FL	32940	07/12/05	12/31/2008
EXEC SUITE	5201 Blue Lagoon Drive, 9th Floor	Miami, FL	33126	7/1/2006	6/30/2009
EXEC SUITE	2501 Liberty Parkway, Suite 200	Midwest City, OK	73110	8/1/2007	7/31/2009
OFFICE	430 Davis Drive, Suite 150	Morrisville, NC	27560	3/1/2005	5/31/2010
OFFICE	Office 28, Building 1, Entrance 3 House 7/5, Bol'shaya Dmitrovka Street	Moscow, Russia	12	4/1/2004	3/31/2009
OFFICE <sup>1, 2</sup>	111 Veterans Boulevard, Suite 230	New Orleans, LA	70005	3/31/2002, 3/21/2007	3/31/2009
OFFICE	Three Gateway Center, Suite 1625, 100 Mulberry Street	Newark, NJ	07102	6/20/1996, 7/1/2006	6/30/2009
OFFICE	221 Third Street, 6th Floor, Admiral's Gate Tower	Newport, RI	02840	11/1/1998, 11/1/2007	10/31/2010
OFFICE	Twin Oaks II, 5800 Lake Wright Drive — 1st, 3rd, 4th floors	Norfolk, VA	23502	4/1/2002	4/30/2010
DIRECT CHARGE <sup>1 or 6</sup>	39555 Orchard Hill Place, Suite 600	Novi, MI	48375	10/1/2007	7/31/2008
OFFICE 4	1003 E. Wesley Drive, Suite C	O'Fallon, IL	62269	12/6/2007	12/5/2012
OFFICE 1	1299 Farnam Street, Suite 1230	Omaha, NE	68102	4/1/2003 4/15/2008	6/30/2010
OFFICE	6825 Pine Street, Suite 358	Omaha, NE	68106	8/29/07	8/28/2012
EXEC SUITE	333 City Boulevard West — 17th Floor	Orange, CA	92868	10/1/2005, 4/1/2007	6/30/2008
OFFICE	13501 Ingenuity Drive, Suite 228, One Resource Square	Orlando, FL	32826	12/1/1999, 6/1/2004	11/30/2009
OFFICE	6710 Oxon Hill Road	Oxon Hill, MD	20745	5/7/2008	5/6/2013
OFFICE	220 West Garden Street, Suite 600	Pensacola, FL	32502	3/28/2005	1/31/2011



<u>OFFICE</u>	<u>ADDRESS</u>	<u>LOCATION</u>	<u>ZIP CODE</u>	<u>Commencement/ Renewal Date</u>	<u>Expiry Date</u>
OFFICE	1818 Market Street, 27th Floor	Philadelphia, PA	19103	11/8/1999, 11/1/2004	3/31/2010
DIRECT CHARGE	Pueblo Union Depot, 104 West B Street	Pueblo, CO	81003	11/7/2005, 1/1/2008	12/31/2008
LICENSE AGREEMENT (for one person in ACWA Public Outreach Office)	104 West B Street	Pueblo, CO	81003	11/7/2005	M-T-M
OFFICE	1003-D N. Wilson Road	Radcliff, KY	40160	12/1/2006	11/30/2009
DIRECT CHARGE	1000 Commercial Drive, Suite #2	Richmond, KY	40475	1/5/2006	12/31/2008
License Agreement	900 E North Heritage Drive, Suite 1	Ridgecrest, CA	93555	12/1/2006	2/29/2009
OFFICE	Rock Island Arsenal, Building 62, Ground Floor, West Wing	Rock Island, IL	61299	4/27/2007	7/31/2008
OFFICE 6	12345 Parklawn Drive	Rockville, MD	20852	10/2/1998, 8/1/2006	7/31/2008
OFFICE 6	6010 Executive Blvd	Rockville, MD	20852	5/14/1999, 6/1/2001, 8/1/2006	7/31/2008
OFFICE 4, 2	One Preserve Parkway, 2600 Tower Oaks Blvd.	Rockville, MD	20852	2/15/08	10/31/2015
OFFICE	1101 Wootton Parkway, Suite 800	Rockville, MD	20852	3/15/2003	3/31/2013
OFFICE	500 Avery Lane	Rome, NY	13421	7/1/2008	6/30/2013
OFFICE	201 South Main Street, Suite 950	Salt Lake City, UT	84111	5/10/2005	6/30/2010
OFFICE	4241 Piedras Drive East, Suite 165	San Antonio, TX	78228	9/1/2001, 1/13/2005	1/12/2010
OFFICE	700 N. St. Mary's St., Suite 700 (Riverwalk Plaza)	San Antonio, TX	78205	10/28/2002	7/31/2011
DUPLICATE	1615 Murray Canyon, Suite 900	San Diego, CA	92108	2/17/2004	5/31/2009
DUPLICATE	1615 Murray Canyon, Suite 140 & 615	San Diego, CA	92108	7/20/2006	7/31/2011
DUPLICATE	1615 Murray Canyon, Suite 800 (w/1010 &300)	San Diego, CA	92108	9/1/1996, 1/12/2006	5/31/2012
DUPLICATE	1615 Murray Canyon, Suite 1010 (w/800 & 300)	San Diego, CA	92108	12/16/98, 1/12/2006	5/31/2012

<u>OFFICE</u>	<u>ADDRESS</u>	<u>LOCATION</u>	<u>ZIP CODE</u>	<u>Commencement/ Renewal Date</u>	<u>Expiry Date</u>
DUPLICATE	1615 Murray Canyon, Suite 300 (w/800 & 1010)	San Diego, CA	92108	6/10/2000, 1/12/2006	5/31/2012
OFFICE	3201 Airpark Drive, Suite 202	Santa Maria, CA	93455	3/1/2002, 5/12/2007	5/11/2010
OFFICE	101 California Street, Suite 3300	San Francisco, CA	94111-5855	12/15/1994	1/21/2014
EXEC SUITE	1990 Main Street, Suite 737, 739, 741 & 748	Sarasota, FL	34236	2/1/2008	1/31/2009
EXEC SUITE 4	720 Olive Way, Suite 1250	Seattle, WA	98101	9/1/2007	8/31/2012
License Agreement	500 N. Garden Avenue, 1B	Sierra Vista, AZ	85635	11/1/2007	10/31/2008
OFFICE 4	2/4 Nikola Vapcarov St	Skopje, Macedonia		11/20/2006	9/28/2011
OFFICE	25 Center Street, Suite 103	Stafford, VA	22556	7/16/2001, 8/1/2006	7/31/2011
DIRECT CHARGE	385 Moffett Park Drive, Suite 200	Sunnyvale, CA	94089	6/1/2005	5/31/2010
OFFICE	4890 W. Kennedy Boulevard, Suite 400, 475	Tampa, FL	33609	12/1/1992, 10/1/2006	9/30/2009
EXEC SUITE	7 Bambis Rigi St.	Tbilisi, Georgia	0105	4/20/2006	1/20/2009
OFFICE 4	2900 100 Street	Urbandale, IA	50322	3/26/2007	3/31/2012
EXEC SUITE1	308 N. Davis Drive, Suite 120	Warner Robins, Georgia	31088	5/1/2007, 10/31/2007, [To be fully executed]	4/30/2009
SUBLEASE	East Columbia Square, 555 13 <sup>th</sup> Street N.W., Suite 480	Washington, DC	20004	5/1/1998, 1/1/2006	2/28/2009
SUBLEASE	700 13 <sup>th</sup> Street, N.W.	Washington, DC	20005	8/22/2003	1/31/2012 (lease) 1/30/2012 (sublease)
OFFICE	1201 M Street, S.E., Suite 220	Washington, DC	20003	11/12/2001, 12/1/2006	11/30/2009
OFFICE	955 L'Enfant Plaza North, S.W. Suite 5300	Washington, DC	20024	11/19/2004	11/30/2009
DIRECT CHARGE	One Technology Drive, 2nd Floor	Westborough, MA	01581	4/19/2007	4/27/2010

**OFFICE**

**ADDRESS**

**LOCATION**

**ZIP  
CODE**

**Commencement/ Expiry  
Renewal Date Date**

OFFICE

Dragon Hill Lodge, Bldg 40508, South Post, Yongson

Seoul, South Korea

4/1/08

3/31/09

Note: 1: Lease Renewal/Extension; 2: Waiting for signed Lease; 3: Mail Drop or Apartment; 4: New Office; 5: Temp Office; 6: Closing Office; 7: Expansion; 8: Renovation; 9: Relocating

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Subsidiaries

(a) Subsidiaries — All Subsidiaries, other than Booz Allen Hamilton Intellectual Property Holdings, LLC, are restricted on the Closing Date.

Entity	Jurisdiction of Incorporation	Parent	Class of Equity Interest	Percent Held
Aestix, Inc.	Delaware	Booz Allen Hamilton Inc.	Common Stock	100%
			Preferred Stock	100%
ASE, Inc.	Delaware	Booz Allen Hamilton Inc.	Common Stock	100%
Booz Allen Hamilton Intellectual Property Holdings, LLC	Delaware	Booz Allen Hamilton Inc.	Class A Member Interest	100% of Class A Member Interests
Booz Allen Transportation Inc.	New York	Booz Allen Hamilton Inc.	Common Stock	100%
Aestix (UK) Ltd.	United Kingdom	Aestix, Inc.	Ordinary Shares	100%

(b) Outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments (other than stock options granted to officers, employees or directors and directors' qualifying shares) of any nature relating to any Capital Stock the Borrower or any of its Restricted Subsidiaries:

None.

Post-Closing Undertakings

Evidence that Booz Allen Transportation Inc. is in good standing with the New York State Department of Taxation and Finance to be delivered to Administrative Agent no later than 60 days following the Closing Date.

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Existing Indebtedness

Outstanding Letters of Credit

<u>Issuing Lender</u>	<u>Reference #</u>	<u>Beneficiary</u>	<u>Issue Date</u>	<u>Expiry Date</u>	<u>Currency</u>	<u>USD Amount</u>
Citibank	NY-61640142 Lease	Citibank International (London)— Moscow Lease	04/19/05	10/31/09	USD	\$ 62,675.00
Citibank	NY-63661500 Bid Bond	Citibank, Romania—Ministry fro Small and Medium Size Enterprises	04/23/08	Expires Citibank Romania 12/30/08; Expires Citibank New York 01/31/09	LEI	\$ 7,094.23
Citibank	NY-61667052 Performance	Citibank UAE—GHQ Armed Forces	07/05/07	Expires Citibank UAE 07/31/17; Expires Citibank New York 08/31/17	AED	\$ 82,719.00
Citibank	NY-61671197 Performance	Citibank Egypt—Fast Missile Craft	12/11/07	10/01/08	USD	\$ 150,000.00
JP Morgan Chase Manhattan Bank	T-247850 Financial	ACE—Workers' Comp Guarantee	04/28/04	Open-Ended	USD	\$ 845,585.00

Existing Liens

<u>Debtor</u>	<u>Jurisdiction</u>	<u>Filing</u>	<u>Secured Party</u>	<u>Collateral</u>	<u>Original File Date</u>	<u>Original File No.</u>
Booz Allen Hamilton Inc.	Delaware Secretary of State	UCC Continuation	BLC Corporation	Leased equipment	02/09/06	60494369
Booz Allen Hamilton Inc.	Delaware Secretary of State	UCC Continuation	BLC Corporation	Leased equipment	01/03/07	70024322
Booz Allen Hamilton Inc.	Delaware Secretary of State	UCC Continuation	Financial Leasing Corporation	Leased equipment	01/03/07	70024199
Booz Allen Hamilton Inc.	Delaware Secretary of State	UCC Continuation	BLC Corporation	Leased equipment	09/18/07	73516696
Booz Allen Hamilton Inc.	Delaware Secretary of State	UCC-1	McGrath Rentcorp and TRS-Rentelco	Leased equipment	07/11/08	20082384954

Liens of Booz Allen Transportation Inc. arising from New York State franchise tax returns missing and franchise tax payments past due for the following periods: 9/30/1989 and 10/31/2002 including 9/30/2002, 9/30/2003 and 3/31/2006 MTA Surcharge Reports.

The patent application for "Apparatus, method and computer readable medium for evaluating a network of entities and assets" has not yet been assigned to Booz Allen Hamilton Inc. An assignment to Booz Allen Hamilton Inc. will be filed within 30 days after the date hereof.

Existing Investments

Wholly-Owned Unrestricted Subsidiaries: Booz Allen Hamilton Intellectual Property Holdings, LLC

Fee for Equity:

Company Name	Cost Basis	Reserve	Net Asset Value	Class of Equity Interests	Number of Interests
Vocatus	\$ 152,722.80	(152,722.80)	\$ 0	Undetermined	5,916.00
Dotphone Company	\$ 66,960.60	(66,960.60)	\$ 0	B Ordinary	26,100.00
Sharemax I (1)	\$ 629,615.10	(629,615.10)	\$ 0	Common Stock 5/22/00	251,776.80
				Series C Preferred 1/29/01	2,037,598.20
				Common Stock 1/31/01	283,248.90
				Common Stock 1/31/01	509,399.40
				Series C Preferred 1/31/01	5,784,061.80
Sharemax II	\$ 161,040.00	(161,040.00)	\$ 0	See above	
Sharemax PH II	\$ 270,000.00	(270,000.00)	\$ 0	See above	
Greyhound	\$ 300,523.20	(300,523.20)	\$ 0	Preferred Stock	226,752.60
Transportmax (2)	\$1,500,000.00	(1,500,000.00)	\$ 0	N.A.	N.A.
Clearforest	\$ 59,441.40	(59,441.40)	\$ 0	Series B3 Preferred	56,341.80
Daleen	\$ 8,949.60	(8,949.60)	\$ 0	Options on Common Stock Expires 2/9/2010	1,800.00
Schema	\$ 36,405.00	(36,405.00)	\$ 0	Ordinary Shares	10,638.00
Quentra	\$ 75,000.00	(75,000.00)	\$ 0	Common Stock	11,242.50
Oceanconnect	\$ 180,661.50	(180,661.50)	\$ 0	Common Stock	60,000.00
Cci (Convergence Communications, Inc.)	\$ 36,000.00	(36,000.00)	\$ 0		
Eutex	\$ 409,257.60	(409,257.60)	\$ 0	Common Stock	5,638.50
Eyematic PH I and II	\$ 142,070.40	(142,070.40)	\$ 0	Series C Preferred Warrants (Expiry 5/20/2012 or five years after IPO)	70,406.70  34,265.70



**Minority Equity:**

<u>Company Name</u>	<u>Cost Basis</u>	<u>Reserve</u>	<u>Net Asset Value</u>	<u>Class of Equity Interests</u>	<u>Number of Interests</u>
Panthea	\$1,205,920	\$(1,080,000)	\$125,920	Series A	228,021.00
				Series B	443,979.00
Logispring	\$ 851,281	\$ 0	\$851,281	Preferred B Shares	7.50
				Common B Shares	1,500.00

(1) Shares represent amounts for all Sharemax tranches

(2) Not Applicable — Not a Minority Equity Stake

FORM OF GUARANTEE AGREEMENT

FORM OF COMPLIANCE CERTIFICATE

The undersigned hereby certifies as follows:

1. I am the [TITLE] of Booz Allen Hamilton Inc., a Delaware corporation (the "Company").
2. I have reviewed the terms of that certain Mezzanine Credit Agreement, dated as of July 31, 2008 (as it may be amended, supplemented or otherwise modified, the "Mezzanine Credit Agreement"; unless otherwise defined herein, terms defined in the Mezzanine Credit Agreement and used herein shall have the meanings given to them in the Mezzanine Credit Agreement), among Explorer Investor Corporation, a Delaware corporation, Explorer Merger Sub Corporation, a Delaware corporation, the Company, the several banks and other financial institutions or entities from time to time parties thereto, Credit Suisse, as Administrative Agent (in such capacity, the "Administrative Agent") and Credit Suisse Securities (USA) LLC, Banc of America Securities LLC and Lehman Brothers Inc., as Joint Lead Arrangers and Joint Bookrunners, and I have made, or have caused to be made under my supervision, a review in reasonable detail of the transactions and condition of the Company and its Subsidiaries during the accounting period covered by the attached financial statements. A description of all new Subsidiaries (if any) during the period covered by this Compliance Certificate is set forth in a separate attachment to this Compliance Certificate.
3. The examination described in paragraph 2 above did not disclose, and I have no knowledge of, the existence of any condition or event which constitutes an Event of Default or Default not previously disclosed in writing to the Administrative Agent during or at the end of the accounting period covered by the attached financial statements or as of the date of this Compliance Certificate, except as set forth in a separate attachment, if any, to this Compliance Certificate, describing in detail the nature of the condition or event, the period during which it has existed and the action which the Company has taken, is taking, or proposes to take with respect to each such condition or event.

The foregoing certifications, together with the financial statements delivered with this Compliance Certificate in support hereof, are made and delivered on behalf of the Company and not individually, on [MM/DD/YY] pursuant to Section 5.2(b) of the Mezzanine Credit Agreement.

BOOZ ALLEN HAMILTON, INC.

By: \_\_\_\_\_  
Title:

FORM OF CLOSING CERTIFICATE  
July 31, 2008

Pursuant to Section 4.1(d) of the Mezzanine Credit Agreement, dated as of July 31, 2008 (the "Mezzanine Credit Agreement"; unless otherwise defined herein, terms defined in the Mezzanine Credit Agreement and used herein shall have the meanings given to them in the Mezzanine Credit Agreement), among Explorer Investor Corporation, a Delaware corporation, Explorer Merger Sub Corporation, a Delaware corporation, Booz Allen Hamilton Inc., a Delaware corporation, the several banks and other financial institutions or entities from time to time parties thereto, Credit Suisse, as Administrative Agent (in such capacity, the "Administrative Agent") and Credit Suisse Securities (USA) LLC, Banc of America Securities LLC and Lehman Brothers Inc., as Joint Lead Arrangers and Joint Bookrunners, the undersigned [•], [insert title of officer if Borrower/Holdings] [Secretary/Assistant Secretary] of \_\_\_\_\_ (the "Company"), hereby certifies on behalf of the Company (and not individually) as follows:

- [1. The Specified Representations of [the Company and its Subsidiaries]<sup>1</sup> [the Company]<sup>2</sup> are true and correct in all material respects.
- [2. No material provision of the Merger Agreement and the related disclosure schedules and exhibits thereto has been waived or amended (other than any such waivers or amendments (including, without limitation, with respect to any representations and warranties in the Merger Agreement) as are not materially adverse to the Lenders or the Lead Arrangers (including, without limitation, the definition of "Company Material Adverse Effect" therein and the representation and warranty set forth in Section 4.8(c) thereof)), other than such waivers or amendments consented to by the Lead Arrangers.
- 3. The transactions described in Section 4.1(b)(ii) of the Mezzanine Credit Agreement have been consummated, in accordance with the terms set forth in such Section 4.1(b)(ii).]<sup>3</sup>
- 3. \_\_\_\_\_ is the duly elected and qualified Secretary of the Company and the signature set forth for such officer below is such officer's true and genuine signature.

The undersigned Secretary of the Company hereby certifies as follows:] [Borrower/Holdings only]

- 1. Attached hereto as Exhibit [A] is a copy of a certificate of good standing or the equivalent from the Company's jurisdiction of organization dated as of a recent date prior to the date hereof.

<sup>1</sup> Surviving Borrower certificate only.  
<sup>2</sup> Holdings and Merger Sub certificate only.  
<sup>3</sup> Surviving Borrower certificate only.

2. Attached hereto as Exhibit [B] is a true and complete copy of [a unanimous written consent duly adopted by the Board of Directors of the Company]<sup>4</sup> [resolutions duly adopted at a meeting of the Board of Directors]<sup>5</sup>, and such [unanimous written consent has][resolutions have] not in any way been amended, modified, revoked or rescinded, [has/have] been in full force and effect since [its/their] adoption to and including the date hereof and [is/are] now in full force and effect.
3. Attached hereto as Exhibit [C] is a true and complete copy of the bylaws of the Company as in effect on the date hereof.
4. Attached hereto as Exhibit [D] is a true and complete certified copy of the Certificate of Incorporation of the Company as in effect on the date hereof, and such Certificate of Incorporation has not been amended, repealed, modified or restated.
5. The following persons are now duly elected and qualified officers of the Company holding the offices indicated next to their respective names, and the signatures appearing opposite their respective names are the true and genuine signatures of such officers, and each of such officers is duly authorized to execute and deliver on behalf of the Company each of the Loan Documents to which it is a party and any certificate or other document to be delivered by the Company pursuant to the Loan Documents to which it is a party:

Name and Title	Signature
[Name] [Title]	
[Name] [Title]	
[Name] [Title]	
[Name] [Title]	
[Name] [Title]	

<sup>4</sup> Holdings, Merger Sub and Booz Allen Transportation Inc. only.  
<sup>5</sup> Borrower, ASE, Inc. and Aestix, Inc. only.

[Name]  
[Title]

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IN WITNESS WHEREOF, the undersigned have hereunto set our names as of the date set forth above.

[COMPANY]

By: \_\_\_\_\_  
Name:  
Title:

[I, [NAME], [TITLE] of the Company, do hereby certify that [NAME] is the duly elected, qualified and [TITLE] of the Company, and that [his/her] signature set forth above is [his/her] genuine signature.

\_\_\_\_\_  
Name:  
Title:]6

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6 Subsidiary Guarantor certificates only.

[Certificate of Good Standing]

C-4

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[Unanimous Written Consent/Resolutions]



[Bylaws]

C-6

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[Certificate/Articles of Incorporation]

C-7

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FORM OF  
ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between [Insert name of Assignor] (the "Assignor") and [Insert name of Assignee] (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Mezzanine Credit Agreement identified below (as amended, restated, supplemented or otherwise modified from time to time, the "Mezzanine Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto (the "Standard Terms and Conditions") are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Mezzanine Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Mezzanine Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the Mezzanine Credit Agreement and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Mezzanine Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the "Assigned Interest"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

- 1. Assignor: \_\_\_\_\_
- 2. Assignee: \_\_\_\_\_  
[and is an Affiliate/Approved Fund of [identify Lender]7]
- 3. Borrowers: Explorer Merger Sub Corporation, a Delaware corporation (the "Initial Borrower") and Booz Allen Hamilton Inc., a Delaware corporation (the "Surviving Borrower")
- 4. Administrative Agent: Credit Suisse, as the administrative agent under the Mezzanine Credit Agreement

<sup>7</sup> Select as applicable.

5. Mezzanine Credit Agreement: The \$550,000,000 Mezzanine Credit Agreement, dated as of July 31, 2008, among Explorer Investor Corporation, a Delaware corporation, Explorer Merger Sub Corporation, a Delaware corporation, Booz Allen Hamilton Inc., a Delaware corporation (the "Borrower"), the several banks and other financial institutions or entities from time to time parties thereto (the "Lenders"), Credit Suisse, as Administrative Agent, and Credit Suisse Securities (USA) LLC, Banc of America Securities LLC and Lehman Brothers Inc., as Joint Lead Arrangers and Joint Bookrunners

6. Assigned Interest:

Aggregate Amount of Commitment/Loans for all Lenders	Amount of Commitment/Loans Assigned <sup>3</sup>	Percentage Assigned of Commitment/Loans <sup>8</sup>
\$	\$	%
\$	\$	%
\$	\$	%

Effective Date: \_\_\_\_\_, 20\_\_\_\_ [TO BE INSERTED BY ADMINISTRATIVE AGENT IN ACCORDANCE WITH THE MEZZANINE CREDIT AGREEMENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

*The Assignee agrees to deliver to the Administrative Agent a completed 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 the Loan Parties 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.*

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

By: \_\_\_\_\_  
Title:

ASSIGNEE

[NAME OF ASSIGNEE]

By: \_\_\_\_\_  
Title:

<sup>8</sup> Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

[Consented to and]<sup>9</sup> Accepted:

CREDIT SUISSE, CAYMAN ISLANDS BRANCH,  
as Administrative Agent

By: \_\_\_\_\_  
Title:

By: \_\_\_\_\_  
Title:

[Consented to;<sup>10</sup>

[BOOZ ALLEN HAMILTON INC.]

By \_\_\_\_\_  
Title:]

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<sup>9</sup> To be added only if the consent of the Administrative Agent is required by the terms of the Mezzanine Credit Agreement.

<sup>10</sup> To be added only if the consent of the Borrower is required by the terms of the Mezzanine Credit Agreement.

The \$550,000,000 Mezzanine Credit Agreement, dated as of July 31, 2008 (the "Mezzanine Credit Agreement"), among Explorer Investor Corporation, a Delaware corporation, Explorer Merger Sub Corporation, a Delaware corporation, Booz Allen Hamilton Inc., a Delaware corporation (the "Borrower"), the several banks and other financial institutions or entities from time to time parties thereto (the "Lenders"), Credit Suisse, as Administrative Agent, and Credit Suisse Securities (USA) LLC, Banc of America Securities LLC and Lehman Brothers Inc., as Joint Lead Arrangers and Joint Bookrunners. Capitalized terms used but not defined herein have the meanings given to them in the Mezzanine Credit Agreement.

STANDARD TERMS AND CONDITIONS FOR  
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Mezzanine Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents, (iii) the financial condition of any Borrower, any Subsidiary or Affiliate thereof or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by any Borrower, any Subsidiary or Affiliate thereof or any other Person of any of their respective obligations under any Loan Document.

1.2 Assignee. The Assignee (a) repeats each Lender representation set forth in Section 8.6 of the Mezzanine Credit Agreement; (b) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Mezzanine Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Mezzanine Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Mezzanine Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received and/or had the opportunity to review a copy of the Mezzanine Credit Agreement to the extent it has in its sole discretion deemed necessary, together with copies of the most recent financial statements delivered pursuant to Section 5.1 thereof, as applicable, and such other documents and information as it has in its sole discretion deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, and (v) if it is a Non-US Lender, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Mezzanine Credit Agreement, duly completed and executed by the Assignee; (c) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender; and (d) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Mezzanine Credit

Agreement, the other Loan Documents and any other instrument or document furnished pursuant hereto or thereto as are delegated to the Administrative Agent by the terms thereof, together with such powers as are incidental thereto.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption and the rights and obligations of the parties under this Assignment and Assumption shall be governed by, and construed and interpreted in accordance with, the law of the State of New York without regard to principles of conflicts of laws to the extent that the same are not mandatorily applicable by statute and the application of the laws of another jurisdiction would be required thereby.

FORM OF LEGAL OPINION  
OF DEBEVOISE & PLIMPTON LLP



FORM OF LEGAL OPINION  
OF MORRIS, NICHOLS, ARSHT & TUNNELL LLP

## FORM OF EXEMPTION CERTIFICATE

Reference is made to the Mezzanine Credit Agreement, dated as of July 31, 2008 (as amended, restated, supplemented or otherwise modified from time to time, the "Mezzanine Credit Agreement"), among Explorer Investor Corporation, a Delaware corporation, Explorer Merger Sub Corporation, a Delaware corporation, Booz Allen Hamilton Inc., a Delaware corporation (the "Borrower"), the several banks and other financial institutions or entities from time to time parties thereto, Credit Suisse, as Administrative Agent (in such capacity, the "Administrative Agent") and Credit Suisse Securities (USA) LLC, Banc of America Securities LLC and Lehman Brothers Inc., as Joint Lead Arrangers and Joint Bookrunners. Unless otherwise defined herein, terms defined in the Mezzanine Credit Agreement and used herein shall have the meanings given to them in the Mezzanine Credit Agreement.

\_\_\_\_\_ (the "Non-US Lender") is providing this certificate pursuant to Section 2.10(d) of the Mezzanine Credit Agreement. The Non-US Lender hereby represents and warrants that:

1. The Non-US Lender is the sole record and beneficial owner of the Loans or the obligations evidenced by Note(s) in respect of which it is providing this certificate.
2. The income from the Loans held by the Non-US Lender is not effectively connected with the conduct of a trade or business within the United States.
3. The Non-US Lender is not a "bank" as such term is used in Section 881(c)(3)(A) of the Code. In this regard, the Non-US Lender further represents and warrants that:

(a) the Non-US Lender is not subject to regulatory or other legal requirements as a bank in any jurisdiction; and

(b) the Non-US Lender has not been treated as a bank for purposes of any tax, securities law or other filing or submission made to any Governmental Authority, any application made to a rating agency or qualification for any exemption from tax, securities law or other legal requirements.

4. The Non-US Lender is not a "10-percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code.

5. The Non-US Lender is not a controlled foreign corporation receiving interest from a related person within the meaning of Section 881(c)(3)(B) of the Code.

We have furnished you with a certificate of our non-U.S. person status on Internal Revenue Service Form W-8BEN. By executing this certificate, the Non-US Lender agrees that (1) if the information provided on this certificate changes, the Non-US Lender shall inform the Borrower (for the benefit of the Borrower and the Administrative Agent) in writing within 30 days of such change and (2) the Non-US Lender shall furnish the Borrower (for the benefit of the Borrower and the Administrative Agent) a properly completed and currently effective certificate in either the calendar year in which payment is to be made by the Borrower to the Non-US Lender, or in either of the two calendar years preceding such payment.

IN WITNESS WHEREOF, the undersigned has duly executed this certificate.

[NAME OF NON-US LENDER]

By: \_\_\_\_\_  
Name:  
Title:

Date: \_\_\_\_\_

FORM OF SOLVENCY CERTIFICATE

July 31, 2008

Pursuant to Section 4.1(c) of the Mezzanine Credit Agreement, dated as of July 31, 2008 (the "Mezzanine Credit Agreement"; unless otherwise defined herein, terms defined in the Mezzanine Credit Agreement and used herein shall have the meanings given to them in the Mezzanine Credit Agreement), among Explorer Investor Corporation, a Delaware corporation ("Holdings"), Explorer Merger Sub Corporation, a Delaware corporation, Booz Allen Hamilton Inc., a Delaware corporation, the several banks and other financial institutions or entities from time to time parties thereto, Credit Suisse, as Administrative Agent and Credit Suisse Securities (USA) LLC, Banc of America Securities LLC and Lehman Brothers Inc., as Joint Lead Arrangers and Joint Bookrunners, the undersigned hereby certifies that he is the duly elected and acting Chief Financial Officer of Holdings and that as such he is authorized to execute and deliver this Solvency Certificate on behalf of Holdings (and not as an individual).

Holdings further certifies that on the date hereof, it and each of the Loan Parties (on a consolidated basis) is, and after giving effect to the Transactions will be, Solvent.

*[Remainder of page intentionally left blank]*

IN WITNESS WHEREOF, the undersigned has caused this Solvency Certificate to be executed as of the date set forth above.

EXPLORER INVESTOR CORPORATION

By: \_\_\_\_\_  
Name:  
Title: Chief Financial Officer

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FORM OF  
TERM LOAN NOTE

THIS NOTE AND THE OBLIGATIONS REPRESENTED HEREBY MAY NOT BE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE TERMS AND PROVISIONS OF THE MEZZANINE CREDIT AGREEMENT REFERRED TO BELOW. TRANSFERS OF THIS NOTE AND THE OBLIGATIONS REPRESENTED HEREBY MUST BE RECORDED IN THE REGISTER MAINTAINED BY THE ADMINISTRATIVE AGENT PURSUANT TO THE TERMS OF SUCH MEZZANINE CREDIT AGREEMENT.

\$ \_\_\_\_\_

New York, New York  
\_\_\_\_\_, 20\_\_\_\_

FOR VALUE RECEIVED, the undersigned, Booz Allen Hamilton Inc., a Delaware corporation ("Booz Allen"), and, together with any assignee of, or successor by merger to, Booz Allen Hamilton Inc.'s rights and obligations under the Mezzanine Credit Agreement (as hereinafter defined) as provided therein, the "Borrower", hereby unconditionally promises to pay to \_\_\_\_\_ (the "Lender") or its registered assigns at the Funding Office specified in the Mezzanine Credit Agreement in Dollars and in immediately available funds, the principal amount of (a) \_\_\_\_\_ DOLLARS (\$\_\_\_\_\_), or, if less, (b) the aggregate unpaid principal amount of all Term Loans owing to the Lender under the Mezzanine Credit Agreement. The principal amount shall be paid in the amounts and on the dates specified in Section 2.3 of the Mezzanine Credit Agreement. The Borrower further agrees to pay interest in like money at such office on the unpaid principal amount hereof from time to time outstanding at the rates and on the dates specified in the Mezzanine Credit Agreement.

This Note (a) is one of the Notes issued pursuant to the Mezzanine Credit Agreement, dated as of July 31, 2008 (as amended, restated, supplemented or otherwise modified from time to time, the "Mezzanine Credit Agreement"), among Explorer Investor Corporation, a Delaware corporation, Explorer Merger Sub Corporation, a Delaware corporation, the Borrower, the several banks and other financial institutions or entities from time to time parties thereto, Credit Suisse, Cayman Islands Branch, as administrative agent (in such capacity, the "Administrative Agent") and Credit Suisse Securities (USA) LLC, Banc of America Securities LLC and Lehman Brothers Inc., as Joint Lead Arrangers and Joint Bookrunners, (b) is subject to the provisions of the Mezzanine Credit Agreement, which are hereby incorporated by reference, (c) is subject to optional and mandatory prepayment in whole or in part as provided in the Mezzanine Credit Agreement and (d) is guaranteed as provided in the Loan Documents. Reference is hereby made to the Mezzanine Credit Agreement for a statement of all the terms and conditions under which the Term Loans evidenced hereby are made and are to be repaid. In the event of any conflict or inconsistency between the terms of this Note and the terms of the Mezzanine Credit Agreement, to the fullest extent permitted by applicable law, the terms of the Mezzanine Credit Agreement shall govern and be controlling.

Upon the occurrence of any one or more Events of Default, all principal and all accrued interest then remaining unpaid on this Note shall become, or may be declared to be, immediately due and payable, all as and to the extent provided in the Mezzanine Credit Agreement. No failure in exercising any rights hereunder or under the other Loan Documents on the part of the Lender shall operate as a waiver of such rights.

All parties now and hereafter liable with respect to this Note, whether maker, principal, surety, guarantor, indorser or otherwise, hereby expressly waive, to the fullest extent permitted by applicable law, presentment, demand, protest and all other similar notices or similar requirements.

Unless otherwise defined herein, terms defined in the Mezzanine Credit Agreement and used herein shall have the meanings given to them in the Mezzanine Credit Agreement.

**NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN OR IN THE MEZZANINE CREDIT AGREEMENT, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT PURSUANT TO AND IN ACCORDANCE WITH THE REGISTRATION AND OTHER PROVISIONS OF SECTION 9.6 OF THE MEZZANINE CREDIT AGREEMENT.**

FOR PURPOSES OF SECTIONS 1272, 1273 AND 1275 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND THE RULES AND REGULATIONS THEREUNDER, THIS NOTE IS BEING ISSUED WITH ORIGINAL ISSUE DISCOUNT. THE ISSUE PRICE, AMOUNT OF THE ORIGINAL ISSUE DISCOUNT, ISSUE DATE AND YIELD TO MATURITY OF THE NOTE CAN BE OBTAINED BY WRITTEN REQUEST TO BOOZ ALLEN HAMILTON INC., CHIEF FINANCIAL OFFICER, AT 8283 GREENSBORO DRIVE, McLEAN, VA 22102.

*[Remainder of page intentionally left blank]*

THIS NOTE AND THE RIGHTS AND OBLIGATIONS OF THE BORROWER AND THE LENDER HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

BOOZ ALLEN HAMILTON INC.

By: \_\_\_\_\_  
Name:  
Title:



AMENDMENT NO. 1 dated as of July 23, 2009 (this "Amendment"), to the Mezzanine Credit Agreement, dated as of July 31, 2008 (the "Mezzanine Credit Agreement"), among EXPLORER INVESTOR CORPORATION, a Delaware corporation ("Holdings"), EXPLORER MERGER SUB CORPORATION, a Delaware corporation (the "Initial Borrower"), BOOZ ALLEN HAMILTON INC., a Delaware corporation into which the Initial Borrower was merged (the "Company" or the "Borrower"), the several banks and other financial institutions or entities from time to time parties to the Mezzanine Credit Agreement (the "Lenders"), CREDIT SUISSE, as Administrative Agent, and CREDIT SUISSE SECURITIES (USA) LLC, BANC OF AMERICA SECURITIES LLC, and LEHMAN BROTHERS INC., as joint lead arrangers and joint bookrunners.

A. The Administrative Agent and the Borrower have jointly identified an obvious error in a provision in the Mezzanine Credit Agreement and desire to amend such provision.

B. Pursuant to, and in accordance with, Section 9.1(b) of the Mezzanine Credit Agreement, the Administrative Agent and the Borrower may amend such provision without any further action or consent of any other party to the Mezzanine Credit Agreement or any other Loan Document.

C. Capitalized terms used but not defined herein shall have the meanings assigned to them in the Mezzanine Credit Agreement.

Accordingly, the parties hereto hereby agree as follows:

SECTION 1. Amendment. Section 6.1(a) of the Mezzanine Credit Agreement is hereby amended by deleting the words "less than" set forth therein and substituting therefor the words "in excess of".

SECTION 2. Effectiveness. This Amendment shall become effective as of July 31, 2009, the date which is five Business Days following the posting of this Amendment electronically on IntraLinks/IntraAgency with notice of such posting by the Administrative Agent to the Lenders, provided that this Amendment is not objected to in writing by the Required Lenders by July 31, 2009.

SECTION 3. Counterparts. This Amendment may be executed by one or more of the parties to this Amendment on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Amendment by facsimile or electronic (i.e. "pdf") transmission shall be effective as delivery of a manually executed counterpart hereof.

SECTION 4. Applicable Law. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS TO THE EXTENT THAT THE SAME ARE NOT

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MANDATORILY APPLICABLE BY STATUTE AND THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

SECTION 5. Headings. The headings of this Amendment are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

SECTION 6. Effect of Amendment. Except as expressly set forth herein, this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of the Lenders, the Administrative Agent or the Loan Parties under the Mezzanine Credit Agreement or any other Loan Document, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Mezzanine Credit Agreement or any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle any Loan Party to a consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Mezzanine Credit Agreement or any other Loan Document in similar or different circumstances. This Amendment shall apply and be effective only with respect to the provision of the Mezzanine Credit Agreement specifically referred to herein. After July 31, 2009, any reference in any Loan Document to the Mezzanine Credit Agreement shall mean the Mezzanine Credit Agreement, as modified hereby.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Amendment to be duly executed and delivered as of the date first above written.

BOOZ ALLEN HAMILTON INC, as  
Borrower

by /s/ Samuel R. Strickland \_\_\_\_\_  
Name: Samuel R. Strickland  
Title: Senior Vice President, CFO

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CREDIT SUISSE, CAYMAN ISLANDS  
BRANCH, as Administrative Agent

by /s/ John D. Toronto

Name: John D. Toronto  
Title: Director

by /s/ Christopher Reo Day

Name: Christopher Reo Day  
Title: Associate

## EXECUTION COPY

AMENDMENT NO. 2, dated as of December 7, 2009 (this "Second Amendment"), to the Mezzanine Credit Agreement, dated as of July 31, 2008 (as heretofore amended, the "Mezzanine Credit Agreement"), among BOOZ ALLEN HAMILTON INVESTOR CORPORATION (formerly known as Explorer Investor Corporation), a Delaware corporation ("Holdings"), EXPLORER MERGER SUB CORPORATION, a Delaware corporation (the "Initial Borrower"), BOOZ ALLEN HAMILTON INC., a Delaware corporation into which the Initial Borrower was merged (the "Company" or the "Borrower"), the several banks and other financial institutions or entities from time to time parties to the Mezzanine Credit Agreement (the "Lenders"), CREDIT SUISSE AG (formerly known as Credit Suisse), as Administrative Agent, and CREDIT SUISSE SECURITIES (USA) LLC, BANC OF AMERICA SECURITIES LLC, and LEHMAN BROTHERS INC., as joint lead arrangers and joint bookrunners.

WHEREAS, the Borrower has requested certain amendments to the Mezzanine Credit Agreement in connection with the Recapitalization Transactions (as defined in Section 2.2 hereof); and

WHEREAS, the Borrower and the Lenders have agreed to amend certain provisions of the Mezzanine Credit Agreement on the terms and conditions contained herein.

NOW, THEREFORE, the Borrower, the Lenders and the Administrative Agent hereby agree as follows:

## ARTICLE 1

Definitions

Section 1.1 Defined Terms. Terms defined in the Mezzanine Credit Agreement and used herein shall have the meanings assigned to such terms in the Mezzanine Credit Agreement, unless otherwise defined herein or the context otherwise requires.

## ARTICLE 2

Amendments

As of the Second Amendment Effective Date (as defined in Section 3.1 hereof), the Mezzanine Credit Agreement shall be amended as set forth in this Article Two.

Section 2.1 Amendment of Schedule 3.3. As of the Amendment and Restatement Effective Date, Schedule 3.3 to the Mezzanine Credit Agreement is hereby amended and restated in its entirety, in the form attached hereto as Exhibit A.

Section 2.2 Amendments to Section 1 of the Mezzanine Credit Agreement. (a) Section 1.1 of the Mezzanine Credit Agreement is hereby amended by inserting therein the following definitions in the appropriate alphabetical order:

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“Recapitalization Transactions”: the incurrence by the Borrower of Senior Secured Loans on or after the Second Amendment Effective Date, and the use of the net proceeds thereof, together with other funds, to (i) pay dividends or make other distributions (including payments in respect of stock options) to holders of the Capital Stock of the Borrower, Holdings or any Parent Company and (ii) pay, or permit Holdings or any Parent Company to pay, amounts due in respect of the Deferred Obligation Amount under and as defined in the Merger Agreement.

“Second Amendment”: Amendment No. 2 to this Agreement, dated as of December 7, 2009, among the Borrower, the Administrative Agent and the Required Lenders.

“Second Amendment Effective Date”: the date upon which all conditions precedent to the effectiveness of the Second Amendment have been satisfied.

(b) Section 1.1 of the Mezzanine Credit Agreement is hereby amended by replacing clause (d) of the definition of “Consolidated EBITDA” in its entirety with the following:

“(d) any extraordinary, unusual or non-recurring expenses or losses (including (x) losses on sales of assets outside of the ordinary course of business and restructuring and integration costs or reserves, including any severance costs, costs associated with office and facility openings, closings and consolidations, relocation costs and other non-recurring business optimization expenses and (y) any expenses in connection with the Recapitalization Transactions (including expenses in respect of adjustments to the outstanding stock options in connection with the Recapitalization Transactions));

Section 2.3 Amendments to Section 2.3 of the Mezzanine Credit Agreement. Section 2.3 of the Mezzanine Credit Agreement is hereby amended by inserting the following new clause (e):

“(e) The repayment of the Loans on the Maturity Date (or on such earlier date on which the Loans become due and payable pursuant to Section 7.1) pursuant to clause 2.3(a) shall be made together with a premium in an amount equal to 1.0% of the principal amount repaid.”

Section 2.4 Amendments to Section 2.5 of the Mezzanine Credit Agreement. Section 2.5(b) of the Mezzanine Credit Agreement is hereby amended by replacing clause (i) thereof in its entirety with the following:

“(i) Each prepayment of the Loans made pursuant to Section 2.5(a) shall be made together with a prepayment premium in an amount equal to (A) if such prepayment is made on or after the fourth anniversary of the Closing Date, 1.0% of the principal amount prepaid, (B) if such prepayment is made on or after the third anniversary of the Closing Date but prior to the fourth anniversary of the Closing Date, 2.0% of the principal amount prepaid and (C) if such prepayment is made on or after the second anniversary of the Closing Date but prior to the third anniversary of the Closing Date, 3.0% of the principal amount prepaid.”

Section 2.5 Amendments to Section 6.1 of the Mezzanine Credit Agreement. Section 6.1 of the Mezzanine Credit Agreement is hereby amended by replacing the table set forth therein in its entirety with the following table:

Period	Consolidated Total Leverage Ratio
December 31, 2008	7.50:1.00
March 31, 2009	7.50:1.00

Period	Consolidated Total Leverage Ratio
June 30, 2009	7.20:1.00
September 30, 2009	6.90:1.00
December 31, 2009	6.90:1.00
March 31, 2010	6.90:1.00
June 30, 2010	6.60:1.00
September 30, 2010	6.60:1.00
December 31, 2010	6.00:1.00
March 31, 2011	6.00:1.00
June 30, 2011	5.40:1.00
September 30, 2011	5.40:1.00
December 31, 2011	5.10:1.00
March 31, 2012	5.10:1.00
June 30, 2012	4.80:1.00
September 30, 2012	4.80:1.00
December 31, 2012 and thereafter	4.50:1.00

Section 2.6 Amendments to Section 6.2 of the Mezzanine Credit Agreement. Section 6.2(i) of the Mezzanine Credit Agreement is hereby amended by deleting "\$910,000,000" and inserting in lieu thereof "\$1,405,000,000".

Section 2.7 Amendments to Section 6.6 of the Mezzanine Credit Agreement. Section 6.6 of the Mezzanine Credit Agreement is hereby amended by (i) deleting "and" at the end of clause (n) thereof, (ii) deleting "." at the end of clause (o) thereof and inserting in lieu thereof "; and" and (iii) inserting the following new clause (p):

"(p) the Borrower may make Restricted Payments in connection with the Recapitalization Transactions (including but not limited to Restricted Payments from time to time to, or to permit Holdings or any Parent Company to make payments to, holders of outstanding stock options in respect of adjustments to the outstanding stock options in connection with the Recapitalization Transactions) in an amount not to exceed \$650,000,000."

Section 2.8 Amendment to Section 9.2 of the Mezzanine Credit Agreement. Section 9.2 of the Mezzanine Credit Agreement is hereby amended by deleting all references to "Gregory H. Woods III" and inserting in lieu thereof "Pierre Maugué".

### ARTICLE 3

#### Miscellaneous

Section 3.1 Conditions to Effectiveness. This Second Amendment shall become effective as of the date (the "Second Amendment Effective Date") on which:

(a) Second Amendment. The Administrative Agent shall have received this Second Amendment, executed and delivered by the Borrower and the Required Lenders;

(b) Acknowledgment and Confirmation. The Administrative Agent shall have received the Acknowledgment and Confirmation, substantially in the form of Exhibit B hereto, executed and delivered by each Guarantor;

(c) Solvency Opinion. The Administrative Agent shall have received a solvency opinion in form and substance and from an independent investment bank or valuation firm reasonably satisfactory to the Administrative Agent to the effect that each of (a) Holdings, the Borrower and the Subsidiary Guarantors, on a consolidated basis, and (b) the Borrower and the Subsidiary Guarantors, on a consolidated basis, in each case after giving effect to the Recapitalization Transactions, are solvent;

(d) Fees. The Borrower shall have paid to the Administrative Agent for distribution to each Lender which executes and delivers to the Administrative Agent (or its designee) a counterpart hereof by 5:00 P.M. (New York City time) on December 7, 2009, a non-refundable cash fee (the "Amendment Fee") in dollars in an amount equal to 100 basis points (1.0%) of the aggregate principal amount of all Loans of such Lender outstanding on the Second Amendment Effective Date; and

(e) Recapitalization Transactions. The Recapitalization Transactions shall be consummated substantially concurrently with the effectiveness of the Second Amendment.

Section 3.2 Representations and Warranties; No Defaults. In order to induce the Lenders to enter into this Second Amendment, the Borrower hereby represents and warrants that:

(a) no Default or Event of Default exists as of the Second Amendment Effective Date, both immediately before and immediately after giving effect to this Second Amendment; and

(b) all of the representations and warranties contained in the Mezzanine Credit Agreement and in the other Loan Documents are true and correct in all material respects on the Second Amendment Effective Date, both immediately before and immediately after giving effect to this Second Amendment, with the same effect as though such representations and warranties had been made on and as of the Second Amendment Effective Date (unless such representation or warranty relates to a specific date, in which case such representation or warranty shall be true and correct in all material respects as of such specific date).

Section 3.3 Severability. Any provision of this Second Amendment which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 3.4 Continuing Effect; No Other Waivers or Amendments. Except as expressly set forth herein, this Second Amendment shall not by implication or otherwise limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of the Lenders, the Administrative Agent or the Loan Parties under the Mezzanine Credit Agreement or any other Loan Document, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Mezzanine Credit Agreement or any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle any Loan Party to a consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Mezzanine Credit Agreement or any other Loan Document in similar or different circumstances. This Second Amendment shall apply and be effective only with respect to the provisions of the Mezzanine Credit Agreement specifically referred to herein. After the Second Amendment Effective Date, any reference in any Loan Document to the Mezzanine Credit Agreement shall mean the Mezzanine Credit Agreement, as modified hereby.



Section 3.5 Counterparts. This Second Amendment may be executed by one or more of the parties to this Second Amendment on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Second Amendment by facsimile or electronic (i.e. "pdf") transmission shall be effective as delivery of a manually executed counterpart hereof.

Section 3.6 Payment of Fees and Expenses. The Borrower agrees to pay or reimburse the Administrative Agent for all of its reasonable and documented out-of-pocket costs and expenses incurred in connection with this Second Amendment including, without limitation, the reasonable fees and disbursements and other charges of Cravath, Swaine & Moore LLP, counsel to the Administrative Agent.

Section 3.7 GOVERNING LAW. THIS SECOND AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS SECOND AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS TO THE EXTENT THAT THE SAME ARE NOT MANDATORILY APPLICABLE BY STATUTE AND THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to be executed and delivered as of the date first above written.

BOOZ ALLEN HAMILTON INC.

By: /s/ CG Appleby

Name: CG Appleby

Title: Secretary

BOOZ ALLEN HAMILTON INVESTOR CORPORATION

By: /s/ Samuel Strickland

Name: Samuel Strickland

Title: Chief Financial Officer

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CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH  
as Administrative Agent

By: /s/ John D. Toronto

Name: John D. Toronto  
Title: Director

By: /s/ Vipul Dhadha

Name: Vipul Dhadha  
Title: Associate

---

**LENDERS:**

By signing below, you have indicated your consent to the Second Amendment

Name of Institution:

Apollo Investment Management, L.P.

By: All Management, LLC  
its General Partner

By: /s/ Patrick Dalton  
Name: Patrick Dalton  
Title: Authorized Signatory

---

**LENDERS:**

By signing below, you have indicated your consent to the Second Amendment

Name of Institution:

ARES CAPITAL CORPORATION

By: /s/ Joshua M. Bloomstein

Name: Joshua M. Bloomstein

Title: Authorized Signatory

---

**LENDERS:**

By signing below, you have indicated your consent to the Second Amendment

Name of Institution:

ARES IIIR/IVR CLO LTD.

By: ARES CLO MANAGEMENT IIIR/IVR, L.P.

By: ARES CLO GP IIIR/IVR, LLC, ITS GENERAL PARTNER

By: ARES MANAGEMENT LLC, ITS MANAGER

By: /s/ Americo Cascella

Name: Americo Cascella

Title: Authorized Signatory

Ares VR CLO Ltd.

By: Ares CLO Management VR, L.P.,  
Investment Manager

By: Ares CLO GP VR, LLC,  
Its General Partner

By: /s/ Americo Cascella

Name: Americo Cascella

Title: Authorized Signatory

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Ares VIR CLO Ltd.

By: Ares CLO Management VIR, L.P.,  
Investment Manager

By: Ares CLO GP VIR, LLC,  
Its General Partner

By: /s/ Americo Cascella  
Name: Americo Cascella  
Title: Authorized Signatory

Ares IX CLO Ltd.

By: Ares CLO Management IX, L.P.,  
Investment Manager

By: Ares CLO GP IX, LLC,  
Its General Partner

By: Ares Management LLC,  
Its Managing Member

By: /s/ Americo Cascella  
Name: Americo Cascella  
Title: Authorized Signatory

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Ares X CLO Ltd.

By: Ares CLO Management X, L.P.,  
Investment Manager

By: Ares CLO GP X, LLC,  
Its General Partner

By: /s/ Americo Cascella  
Name: Americo Cascella  
Title: Authorized Signatory

ARES XI CLO Ltd.

By: ARES CLO MANAGEMENT XI, L.P.

By: ARES CLO GP XI, LLC, ITS GENERAL PARTNER

By: ARES MANAGEMENT LLC, ITS MANAGER

By: /s/ Americo Cascella  
Name: Americo Cascella  
Title: Authorized Signatory

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ARES XII CLO LTD.

By: ARES CLO MANAGEMENT XII, L.P.

By: ARES CLO GP XII, LLC, ITS GENERAL PARTNER

By: ARES MANAGEMENT LLC, ITS MANAGER

By: /s/ Americo Cascella

Name: Americo Cascella

Title: Authorized Signatory

CONFLUENT 2 LIMITED

By: Ares Private Account Management I, L.P., as Sub-Manager

By: Ares Private Account Management I GP, LLC, as General Partner

By: Ares Management LLC, as Manager

By: /s/ Americo Cascella

Name: Americo Cascella

Title: Authorized Signatory

---

ARES ENHANCED CREDIT OPPORTUNITIES FUND LTD.

By: Ares Enhanced Credit Opportunities Fund Management, L.P.,

By: /s/ Americo Cascella  
Name: Americo Cascella  
Title: Authorized Signatory

---

FUTURE FUND BOARD OF GUARDIANS

By: Ares Enhanced Loan Investment Strategy Advisor IV, L.P., its investment manager

By: Ares Enhanced Loan Investment Strategy Advisor IV GP, LLC, its general partner

By: Ares Management LLC, its managing member

By: /s/ Americo Cascella  
Name: Americo Cascella  
Title: Authorized Signatory

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**LENDERS:**

By signing below, you have indicated your consent to the Second Amendment

Name of Institution:

ARES CAPITAL CP FUNDING LLC

By: /s/ Joshua M. Bloomstein

Name: Joshua M. Bloomstein

Title: Authorized Signatory

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**LENDERS:**

By signing below, you have indicated your consent to the Second Amendment

Name of Institution:

Ivy Hill Middle Market Credit Fund, Ltd.

By: /s/ Ryan Cascade

Name: Ryan Cascade

Title: Duly Authorized Signatory

Ivy Hill Middle Market Credit Fund II, Ltd.

By: /s/ Ryan Cascade

Name: Ryan Cascade

Title: Duly Authorized Signatory

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**LENDERS:**

By signing below, you have indicated your consent to the Second Amendment

Name of Institution:

AXA MEZZANINE II S.A., SICAR

By: /s/ Andreas Demmel

Name: Andreas Demmel

Title: Director

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**LENDERS:**

By signing below, you have indicated your consent to the Second Amendment

Name of Institution:

MD MEZZANINE S.A., SICAR

By: /s/ Andreas Demmel

Name: Andreas Demmel

Title: Director

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**Blackstone Mezzanine Partners II L.P.**

By: Blackstone Mezzanine Associates II L.P., its General Partner  
By: Blackstone Mezzanine Management Associates II L.L.C., its General Partner

By: /s/ George Fan  
Name: George Fan  
Title: Authorized Signatory

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**Blackstone Mezzanine Holdings II L.P.**

By: BMP II Side-by-Side GP L.L.C., its General Partner

By: /s/ George Fan  
Name: George Fan  
Title: Authorized Signatory

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**Blackstone Family Mezzanine Partnership II — SMD L.P.**

By: Blackstone Family GP L.L.C., its General Partner

By: /s/ George Fan  
Name: George Fan  
Title: Authorized Signatory

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**LENDERS:**

By signing below, you have indicated your consent to the Second Amendment

Name of Institution:

Canpartners Investments IV, LLC

By: Canpartners Investments IV, LLC, a California limited liability company

By: /s/ Jonathan Kaplan

Name: Jonathan Kaplan

Title: Authorized Signatory

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**LENDERS:**

By signing below, you have indicated your consent to the Second Amendment

Name of Institution:

CMP II Initial Holdings LLC

By: /s/ Leo A. Helmers

Name: Leo A. Helmers, CFA

Title: Managing Director

Carlyle Mezzanine Partners

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**LENDERS:**

By signing below, you have indicated your consent to the Second Amendment

Name of Institution:

**CREDIT SUISSE LOAN FUNDING LLC**

By: /s/ Deja Zazzarino

Name: Deja Zazzarino

Title: Assistant Vice President

By: /s/ Douglas DiBella

Name: Douglas DiBella

Title: Authorized Signatory

---

**LENDERS:**

By signing below, you have indicated your consent to the Second Amendment

DLJ INVESTMENT PARTNERS III, L.P.

By: DLJ Investment Associates III, L.P.  
Its General Partner

By: DLJ Investment Partners, Inc.,  
Its General Partner

By: /s/ Dacosta

Name: Igor DaCosta  
Title: Principal

DLJ INVESTMENT PARTNERS, L.P.

By: DLJ Investment Associates III, L.P.  
Its General Partner

By: DLJ Investment Partners, Inc.,  
Its General Partner

By: /s/ Dacosta

Name: Igor DaCosta  
Title: Principal

IP III PLAN INVESTORS, L.P.

By: DLJ LBO Plans Management Corporation,  
Its Managing General Partner

By: /s/ Ed Nadel

Name: Ed Nadel  
Title: Attorney-in-Fact

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**LENDERS:**

By signing below, you have indicated your consent to the Second Amendment

Name of Institution:

**FORTRESS CREDIT OPPORTUNITIES I LP**

By: Fortress Credit Opportunities I GP LLC, its general partner

By: /s/ Glenn P. Cummins

Name: Glenn P. Cummins

Title: Chief Financial Officer

---

**LENDERS:**

By signing below, you have indicated your consent to the Second Amendment

Name of Institution:

GoldenTree 2004 Trust

By: GoldenTree Asset Management, LP

By: /s/ Karen Weber

Name: Karen Weber

Title: Director - Bank Debt

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**LENDERS:**

By signing below, you have indicated your consent to the Second Amendment

Name of Institution:

GoldenTree Capital Opportunities, LP

By: GoldenTree Asset Management, LP

By: /s/ Karen Weber

Name: Karen Weber

Title: Director - Bank Debt

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**LENDERS:**

By signing below, you have indicated your consent to the Second Amendment

Name of Institution:

NYLIM Mezzanine Partners II Parallel Fund, LP

By: NYLIM Mezzanine Partners II GenPar LP,  
its General Partner

By: NYLIM Mezzanine Partners II GenPar GP,  
LLC, its General Partner

By: /s/ Thomas M. Haubenstricker

Name: Thomas M. Haubenstricker

Title: Chief Executive Officer

---

**LENDERS:**

By signing below, you have indicated your  
consent to the Second Amendment

Name of Institution:

HIGHBRIDGE MEZZANINE PARTNERS LLC AC  
HIGHBRIDGE PRINCIPAL STRATEGIES  
OFFSHORE MEZZANINE PARTNERS MASTER  
FND LP

By: /s/ Ed Tam

Name: Ed Tam

Title: Managing Director

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**LENDERS:**

By signing below, you have indicated your consent to the Second Amendment

Name of Institution:

Highbridge Principal Strategies Mezzanine  
Partners Delaware Subsidiary LLC

By: /s/ Ed Tam

Name: Ed Tam

Title: Managing Director

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**LENDERS:**

By signing below, you have indicated your consent to the Second Amendment

Name of Institution:

Highbridge Leveraged Loan Partners Master Fund LP

By: /s/ Ed Tam

Name: Ed Tam

Title: Managing Director

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**LENDERS:**

By signing below, you have indicated your consent to the Second Amendment

Name of Institution:

KKR Financial CLO 2007-A, Ltd.

By: /s/ Mark Casanova

Name: Mark Casanova

Title: Authorized Signatory

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**LENDERS:**

By signing below, you have indicated your consent to the Second Amendment

Name of Institution:

Natixis COF 1, LLC

By: /s/ Ray Meyer

Name: Ray Meyer

Title: Director

By: /s/ Patrick Owens

Name: Patrick Owens

Title: Managing Director

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**LENDERS:**

By signing below, you have indicated your consent to the Second Amendment

Name of Institution:

New York Life Investment Management  
Mezzanine Partners II, LP

By: NYLIM Mezzanine Partners II GenPar LP,  
its General Partner

By: NYLIM Mezzanine Partners II GenPar GP,  
LLC, its General Partner

By: /s/ Thomas M. Haubenstricker

Name: Thomas M. Haubenstricker

Title: Chief Executive Officer

---

**LENDERS:**

By signing below, you have indicated your consent to the Second Amendment

Name of Institution:

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY

By: /s/ Richard A. Strait

Name: Richard A. Strait

Title: Its Authorized Representative

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY FOR ITS GROUP ANNUITY SEPARATE ACCOUNT

By: /s/ Richard A. Strait

Name: Richard A. Strait

Title: Its Authorized Representative

NORTHWESTERN MUTUAL CAPITAL MEZZANINE FUND I, LP

By: Northwestern Mutual Capital GP, LLC

Its: General Partner

By: Richard A. Strait

Its: Managing Director

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**LENDERS:**

By signing below, you have indicated your consent to the Second Amendment

Name of Institution:

OHSF II FINANCING, LTD.

By: /s/ Scott D. Krase

Name: Scott D. Krase

Title: Authorized Person

OAK HILL CREDIT OPPORTUNITIES FINANCING, LTD.

By: /s/ Scott D. Krase

Name: Scott D. Krase

Title: Authorized Person

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**LENDERS:**

By signing below, you have indicated your consent to the Second Amendment

Name of Institution:

Redwood Master Fund, LTD

By: /s/ Jonathan Kolatch

Name: Jonathan Kolatch

Title: Principal

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**LENDERS:**

By signing below, you have indicated your consent to the Second Amendment

Name of Institution:

Solar Capital LLC

By: /s/ Bruce Spohler

Name: Bruce Spohler

Title: Chief Operating Officer

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**LENDERS:**

By signing below, you have indicated your consent to the Second Amendment

Name of Institution:

Stone Tower Credit Funding I Ltd.

By: Stone Tower Fund Management LLC,  
As its Collateral Manager

By: /s/ Michael W. DelPercio  
Name: Michael W. DelPercio  
Title: Authorized Signatory

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**LENDERS:**

By signing below, you have indicated your consent to the Second Amendment

Name of Institution:

SPECIAL VALUE EXPANSION FUND, LLC

By: Tennenbaum Capital Partners, LLC  
Its: Investment Manager

TENNENBAUM OPPORTUNITIES PARTNERS V, LP

By: Tennenbaum Capital Partners, LLC  
Its: Investment Manager

SPECIAL VALUE OPPORTUNITIES FUND, LLC

By: Tennenbaum Capital Partners, LLC  
Its: Investment Manager

Each of the above by:

/s/ Howard Levkowitz

Name: Howard Levkowitz

Title: Managing Partner, Tennenbaum Capital Partners, LLC

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**LENDERS:**

By signing below, you have indicated your consent to the Second Amendment

TCW/Crescent Mezzanine Partners V, L.P.  
TCW/Crescent Mezzanine Partners VB, L.P.  
TCW/Crescent Mezzanine Partners VC, L.P.

By: TCW/Crescent Mezzanine Management V, L.L.C.  
its Investment Manager.

By: TCW Asset Management Company, its Sub-Advisor

By: /s/ Daniel R. Honeker

Name: Daniel R. Honeker

Title: Senior Vice President

---

By signing below, you have indicated your consent to the Second Amendment

MAC CAPITAL, LTD.

By: TCW Asset Management Company as its Portfolio Manager

By: /s/ Edison Hwang

Name: Edison Hwang

Title: Vice President

By: /s/ Joshua Grumer

Name: Joshua Grumer

Title: Vice President

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Existence; Compliance with Law

Booz Allen Transportation Inc. is not in good standing due to overdue New York State corporate franchise tax payments relating to its July 31, 2008 return.

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FORM OF ACKNOWLEDGMENT AND CONFIRMATION

1. Reference is made to Amendment No. 2 to the Mezzanine Credit Agreement, dated as of December 7, 2009 (the "Second Amendment"), by and among the Borrower, the Administrative Agent and the Lenders from time to time party thereto.

2. Certain provisions of the Mezzanine Credit Agreement are being amended pursuant to the Second Amendment. Each of the undersigned is a Guarantor of the Borrower Obligations of the Borrower pursuant to the Guarantee Agreement (as defined in the Mezzanine Credit Agreement) and hereby

(a) acknowledges its receipt of the foregoing Second Amendment and its review of the terms and conditions thereof and consents to the foregoing Second Amendment,

(b) acknowledges that, notwithstanding the execution and delivery of the foregoing Second Amendment, (i) the Guarantee Agreement shall continue to be in full force and effect, (ii) the Guarantor Obligations of such Guarantor are not impaired or affected and (iii) all guarantees made by such Guarantor pursuant to the Guarantee Agreement continue in full force and effect; and

(c) confirms and ratifies its obligations under each of the Loan Documents executed by it.

3. Capitalized terms used herein without definition shall have the meanings given to such terms in the Second Amendment to which this Acknowledgment and Confirmation is attached or in the Mezzanine Credit Agreement referred to therein or in the Guarantee Agreement, as applicable.

4. THIS ACKNOWLEDGMENT AND CONFIRMATION SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

5. This Acknowledgment and Confirmation may be executed by one or more of the parties to this Acknowledgment and Confirmation on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Acknowledgment and Confirmation by facsimile or electronic (i.e. "pdf") transmission shall be effective as delivery of a manually executed counterpart hereof.

[rest of page intentionally left blank]

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IN WITNESS WHEREOF, the parties hereto have caused this Acknowledgment and Confirmation to be duly executed and delivered as of the day and year first above written.

BOOZ ALLEN HAMILTON INVESTOR CORPORATION

By: \_\_\_\_\_  
Name:  
Title:

ASE, INC.

By: \_\_\_\_\_  
Name:  
Title:

AESTIX, INC.

By: \_\_\_\_\_  
Name:  
Title:

BOOZ ALLEN TRANSPORTATION, INC.

By: \_\_\_\_\_  
Name:  
Title:

*[Signature Page — Acknowledgement and Consent to Second Amendment]*

**MANAGEMENT AGREEMENT**

This Management Agreement (this "Agreement"), dated as of July 31, 2008, by and between Explorer Holding Corporation, a Delaware corporation, ("Buyer Parent"), Booz Allen Hamilton Inc., a Delaware corporation (the "Company"), and TC Group V US, L.L.C., a Delaware limited liability company ("Carlyle").

**RECITALS**

WHEREAS, Carlyle, by and through its officers, employees, agents, representatives and affiliates, has expertise in the areas of corporate management, business strategy, investment, acquisitions and other matters relating to the business of the Company and its subsidiaries; and

WHEREAS, the Company desires to avail itself of the expertise of Carlyle in the aforesaid areas, in which it acknowledges the expertise of Carlyle.

**AGREEMENT**

NOW, THEREFORE, in consideration of the foregoing recitals and the covenants and conditions herein set forth, the parties hereto agree as follows:

Section 1. Appointment. The Company hereby appoints Carlyle to render the advisory and consulting services described in Section 2 hereof for the term of this Agreement.

Section 2. Services.

(a) The Company hereby acknowledges that Carlyle has provided investment banking, financial advisory and other services to Buyer Parent in connection with the acquisition of the Company, and certain other transactions related thereto (collectively, the "Transactions") pursuant to that Agreement and Plan of Merger, dated as of May 15, 2008, by and among Buyer Parent, Explorer Investor Corporation, a Delaware corporation wholly owned by Buyer Parent, Explorer Merger Sub Corporation, a Delaware corporation wholly owned by Buyer ("Merger Sub"), the Company and Booz & Company Inc., as seller representative ("Newco") (the "Merger Agreement") under which Buyer acquired the Company through the merger of Merger Sub with and into the Company (the "Transaction Investment Banking Services").

(b) During the term of this Agreement, Carlyle shall render to the Company and its subsidiaries, by and through such of Carlyle's officers, employees, agents, representatives and affiliates as Carlyle, in its sole discretion, shall designate, in cooperation with the Company's executive officers, from time to time, advisory, consulting and other services (the "Oversight Services") in relation to the operations of

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the Company and its subsidiaries, strategic planning, marketing and financial oversight and including, without limitation, advisory and consulting services in relation to the selection, retention and supervision of independent auditors, the selection, retention and supervision of outside legal counsel, the selection, retention and supervision of investment bankers or other financial advisors or consultants and the structuring and implementation of equity participation plans, employee benefit plans and other incentive arrangements for certain key executives of the Company and its subsidiaries.

(c) It is acknowledged and agreed that, from time to time, Carlyle may be requested to perform services (including, without limitation, Investment Banking Services (as defined below)) in addition to the Oversight Services, for which Carlyle shall be entitled to additional compensation, and it is expressly agreed that the Oversight Services shall not include Investment Banking Services.

(d) From time to time hereafter, Carlyle may provide investment banking, financial advisory and other services to the Company with respect to (i) any acquisitions and divestitures by the Company or any of its subsidiaries, including, without limitation, the sale of substantially all of the assets of the Company, whether by a sale of assets or equity interests of the Company, by merger or otherwise, or the acquisition or sale of any subsidiary or division of the Company, or (ii) the public or private sale of debt or equity interests of the Company or any of its affiliates or any similar financing transactions. The services provided pursuant to this Section 2(d) and the Transaction Investment Banking Services shall be collectively referred to herein as the "Investment Banking Services." The Oversight Services and the Investment Banking Services provided shall be referred to herein as the "Services."

Section 3. Fees.

(a) In consideration of the performance of the Oversight Services contemplated by Section 2(b) hereof, the Company agrees to pay to Carlyle an aggregate per annum fee of \$1 million (the "Annual Fee"). The Annual Fee shall be payable quarterly in advance beginning September 30, 2008; provided, however, that on September 30, 2008, in addition to such quarterly payment, the Company shall pay Carlyle the pro rata portion of such fee for the period commencing on August 1, 2008, and ending on September 30, 2008, calculated on the basis of a 365-day year. Fee payments shall be non-refundable.

(b) In consideration of the Transaction Investment Banking Services provided to the Buyer Parent in connection with the Transaction, Buyer Parent shall, on the date hereof, pay to Carlyle an aggregate amount equal to \$20,000,000. In consideration of any additional Investment Banking Services provided by Carlyle to the Company and any other services (other than Oversight Services and Transaction Investment Banking Services provided by Carlyle to the Company), Carlyle shall be entitled to receive additional reasonable compensation as agreed upon by the parties.

Section 4. Out-of-Pocket Expenses. The Company shall, at the direction of Carlyle, pay directly, or reimburse Carlyle for, its reasonable Out-of-Pocket Expenses. For the purposes of this Agreement, the term "Out-of-Pocket Expenses" shall mean the amounts actually paid by Carlyle in cash in connection with its performance of the Services, including, without limitation, reasonable (i) fees and disbursements (including underwriting fees) of any independent auditors, outside legal counsel, consultants, investment bankers, financial advisors and other independent professionals and organizations, (ii) costs of any outside services or independent contractors such as financial printers, couriers, business publications or similar services and (iii) any other similar third-party expense not associated with its ordinary operations. All reimbursements for Out-of-Pocket Expenses shall be made promptly upon or as soon as practicable after presentation by Carlyle to the Company of the statement in connection therewith.

Section 5. Indemnification. The Company will indemnify and hold harmless Carlyle and its officers, employees, agents, representatives, members and affiliates (each being an "Indemnified Party") from and against any and all losses, costs, expenses, claims, damages and liabilities (the "Liabilities") to which such Indemnified Party may become subject under any applicable law, or any claim made by any third party, or otherwise, to the extent they relate to or arise out of the performance of the Services contemplated by this Agreement or the engagement of Carlyle pursuant to, and the performance by Carlyle of the Services contemplated by, this Agreement. The Company will reimburse any Indemnified Party for all reasonable costs and expenses (including reasonable attorneys' fees and expenses) as they are incurred in connection with the investigation of, preparation for or defense of any pending or threatened claim for which the Indemnified Party would be entitled to indemnification under the terms of the previous sentence, or any action or proceeding arising therefrom, whether or not such Indemnified Party is a party hereto, provided that, subject to the following sentence, the Company shall be entitled to assume the defense thereof at its own expense, with counsel satisfactory to such Indemnified Party in its reasonable judgment. Any Indemnified Party may, at its own expense, retain separate counsel to participate in such defense, and in any action, claim or proceeding in which the Company, on the one hand, and an Indemnified Party, on the other hand, is, or is reasonably likely to become, a party, such Indemnified Party shall have the right to employ separate counsel at the Company's expense and to control its own defense of such action, claim or proceeding if, in the reasonable opinion of counsel to such Indemnified Party, a conflict or potential conflict exists between the Company, on the one hand, and such Indemnified Party, on the other hand, that would make such separate representation advisable. The Company agrees that it will not, without the prior written consent of the applicable Indemnified Party, settle, compromise or consent to the entry of any judgment in any pending or threatened claim, action or proceeding relating to the matters contemplated hereby (if any Indemnified Party is a party thereto or has been actually threatened to be made a party thereto) unless such settlement, compromise or consent includes an unconditional release of the applicable

Indemnified Party and each other Indemnified Party from all liability arising or that may arise out of such claim, action or proceeding. Provided that the Company is not in breach of its indemnification obligations hereunder, no Indemnified Party shall settle or compromise any claim subject to indemnification hereunder without the consent of the Company. The Company will not be liable under the foregoing indemnification provision to the extent that any loss, claim, damage, liability, cost or expense is determined by a court, in a final judgment from which no further appeal may be taken, to have resulted solely from the gross negligence or willful misconduct of Carlyle. If an Indemnified Party is reimbursed hereunder for any expenses, such reimbursement of expenses shall be refunded to the extent it is finally judicially determined that the Liabilities in question resulted solely from the gross negligence or willful misconduct of Carlyle.

Section 6. Termination. This Agreement shall become effective on the date hereof and shall continue in effect until the date as of which Carlyle or one or more of its affiliates no longer collectively control, in the aggregate, at least 5% of the equity interests of the Company, or such earlier date as the Company and Carlyle may mutually agree. The provisions of Sections 5, 7 and 8 and otherwise as the context so requires shall survive the termination of this Agreement.

Section 7. Other Activities. Nothing herein shall in any way preclude Carlyle or its officers, employees, agents, representatives, members or affiliates from engaging in any business activities or from performing services for its or their own account or for the account of others, including for any company that may be in competition with the businesses conducted by the Company.

Section 8. General.

(a) No amendment or waiver of any provision of this Agreement, or consent to any departure by either party from any such provision, shall be effective unless the same shall be in writing and signed by the parties to this Agreement, and, in any case, such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

(b) This Agreement and the rights of the parties hereunder may not be assigned without the prior written consent of the parties hereto; provided, however, that Carlyle may assign or transfer its duties or interests hereunder to a Carlyle affiliate at the sole discretion of Carlyle.

(c) Any and all notices hereunder shall, in the absence of receipted hand delivery, be deemed duly given when mailed, if the same shall be sent by registered or certified mail, return receipt requested, and the mailing date shall be deemed the date from which all time periods pertaining to a date of notice shall run. Notices shall be addressed to the parties at the following addresses:

If to Carlyle:

TC Group V US, L.L.C.  
1001 Pennsylvania Avenue, N.W.  
Washington, DC 20004  
Attention: Ian Fujiyama  
Facsimile: (202) 347-9250

If to the Company:

c/o The Carlyle Group  
1001 Pennsylvania Avenue, N.W.  
Washington, DC 20004  
Attention: Ian Fujiyama  
Facsimile: (202) 347-9250

(d) This Agreement shall constitute the entire agreement between the parties with respect to the subject matter hereof, and shall supersede all previous oral and written (and all contemporaneous oral) negotiations, commitments, agreements and understandings relating hereto.

(e) This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware (without giving effect to the choice of law principles therein). Each of the parties hereto (i) consents to submit itself to the personal jurisdiction of the Court of Chancery or other courts of the State of Delaware in the event any dispute arises out of this Agreement or any of the transactions contemplated by this Agreement, (ii) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from such court, (iii) agrees that it will not bring any action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than the Court of Chancery or other courts of the State of Delaware and (iv) to the fullest extent permitted by Law, consents to service being made through the notice procedures set forth in Section 8(c). Each party hereto hereby agrees that, to the fullest extent permitted by Law, service of any process, summons, notice or document by U.S. registered mail to the respective addresses set forth in Section 8(c) shall be effective service of process for any suit or proceeding in connection with this Agreement or the transactions contemplated hereby.

(f) This Agreement may be executed in two or more counterparts, and by different parties on separate counterparts. Each set of counterparts showing execution by all parties shall be deemed an original, and shall constitute one and the same instrument.

(g) The waiver by any party of any breach of this Agreement shall not operate as or be construed to be a waiver by such party of any subsequent breach.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered by their duly authorized officers or agents as set forth below.

**TC GROUP V US, L.L.C.**

By: TC Group Investment Holdings, L.P., its managing member

By: TCG Holdings II, L.P., its general partner

By: /s/ Ian Fujiyama

Name: Ian Fujiyama  
Title: Managing Director

**EXPLORER HOLDING CORPORATION**

By: /s/ Ian Fujiyama

Name: Ian Fujiyama  
Title: Vice President

**BOOZ ALLEN HAMILTON INC.**

By: /s/ Ralph Shrader

Name: Ralph Shrader  
Title: Chairman & Chief Executive Officer

**List of Subsidiaries of Booz Allen Hamilton Holding Corporation**

<b>Name</b>	<b>Jurisdiction of Organization</b>
Aestix (UK) Ltd.	United Kingdom
ASE, Inc.	Delaware
Booz Allen Hamilton Inc.	Delaware
Booz Allen Hamilton Intellectual Property Holdings LLC	Delaware
Booz Allen Hamilton International, Inc.	Delaware
Booz Allen Hamilton Investor Corporation	Delaware
Booz Allen Transportation Inc.	New York



**Consent of Independent Registered Public Accounting Firm**

We consent to the reference to our firm under the caption "Experts" and to the use of our report dated June 18, 2010, in this Registration Statement (Form S-1 No. 333- ) and related Prospectus of Booz Allen Hamilton Holding Corporation for the registration of shares of its Class A common stock.

/s/ Ernst & Young LLP

McLean, Virginia

June 18, 2010

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Ralph W. Shrader, CG Appleby, Samuel R. Strickland and Horacio D. Rozanski, jointly and severally, as his true and lawful attorney-in-fact and agent, acting alone, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign the Registration Statement on Form S-1 of Booz Allen Holding Corporation and any or all amendments (including post-effective amendments) thereto and any new registration statement with respect to the offering contemplated thereby filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact full power and authority to do and reform each and every act and thing requisite or necessary to be done in and about the premises, as person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Ralph W. Shrader</u> Ralph W. Shrader	President, Chief Executive Officer and Chairman of the Board (Principal Executive Officer)	June 3, 2010
<u>/s/ Samuel R. Strickland</u> Samuel R. Strickland	Executive Vice President, Chief Financial Officer and Director (Principal Financial and Principal Accounting Officer)	June 3, 2010
<u>/s/ Daniel F. Akerson</u> Daniel F. Akerson	Director	June 3, 2010
<u>/s/ Peter Clare</u> Peter Clare	Director	June 3, 2010
<u>/s/ Ian Fujiyama</u> Ian Fujiyama	Director	June 3, 2010
<u>/s/ Philip A. Odeen</u> Philip A. Odeen	Director	June 3, 2010
<u>/s/ Charles O. Rossotti</u> Charles O. Rossotti	Director	June 3, 2010