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FORM 10-Q

ENERGIZER HOLDINGS, INC. - ENR

Filed: August 03, 2016 (period: June 30, 2016)

Quarterly report with a continuing view of a company's financial position

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2016

Or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____
Commission File Number: 001-36837



ENERGIZER HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Missouri
(State or other jurisdiction of
incorporation or organization)

36-4802442
(I. R. S. Employer
Identification No.)

533 Maryville University Drive
St. Louis, Missouri
(Address of principal executive offices)

63141
(Zip Code)

(314) 985-2000

(Registrant's telephone number, including area code)

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

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

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

(Do not check if smaller reporting company)

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

Indicate the number of shares of Energizer Holdings, Inc. common stock, \$.01 par value, outstanding as of the close of business on July 29, 2016: 61,903,884.

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ENERGIZER HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF EARNINGS AND COMPREHENSIVE INCOME
(Condensed)
(In millions, except per share data - Unaudited)

	For the Quarter Ended June 30,		For the Nine Months Ended June 30,	
	2016	2015	2016	2015
Net sales	\$ 361.0	\$ 374.3	\$ 1,201.8	\$ 1,232.5
Cost of products sold	207.3	203.5	676.7	659.4
Gross profit	153.7	170.8	525.1	573.1
Selling, general and administrative expense	87.0	108.2	254.1	322.5
Advertising and sales promotion expense	22.8	35.1	71.0	99.0
Research and development expense	6.6	6.5	19.1	19.1
Venezuela deconsolidation charge	—	—	—	65.2
Spin restructuring	0.9	11.7	1.0	36.0
Restructuring	—	18.1	2.5	8.8
Interest expense	13.1	37.5	39.1	65.2
Other financing items, net	(0.4)	(5.8)	(0.9)	(11.9)
Earnings/(loss) before income taxes	23.7	(40.5)	139.2	(30.8)
Income taxes (benefit)/provision	(0.5)	(20.9)	33.1	(3.7)
Net earnings/(loss)	\$ 24.2	\$ (19.6)	\$ 106.1	\$ (27.1)
Basic net earnings/(loss) per share (1)	\$ 0.39	\$ (0.32)	\$ 1.71	\$ (0.44)
Diluted net earnings/(loss) per share (1)	\$ 0.39	\$ (0.32)	\$ 1.70	\$ (0.44)
Statement of Comprehensive Income:				
Net earnings/(loss)	\$ 24.2	\$ (19.6)	\$ 106.1	\$ (27.1)
<i>Other comprehensive income/(loss), net of tax expense/(benefit)</i>				
Foreign currency translation adjustments	(8.5)	1.6	10.1	(45.5)
Pension activity, net of tax of \$0.5 and \$1.5 for the quarter and nine months ended June 30, 2016, respectively, and \$(0.1) and \$(0.2) for the quarter and nine months ended June 30, 2015, respectively.	2.3	(0.2)	5.0	(0.7)
Deferred (loss)/gain on hedging activity, net of tax of (\$0.3) and (\$3.1) for the quarter and nine months ended June 30, 2016, respectively, and \$(2.2) and \$(0.4) for the quarter and nine months ended June 30, 2015, respectively.	0.9	(7.2)	(6.4)	(1.5)
Total comprehensive income	\$ 18.9	\$ (25.4)	\$ 114.8	\$ (74.8)

(1) On July 1, 2015, Edgewell Personal Care Company (Edgewell) distributed 62.2 million shares of Energizer Holdings, Inc. (Energizer) common stock to Edgewell shareholders in connection with its spin-off of Energizer. See Note 1, Description of Business and Basis of Presentation, in the Consolidated Condensed Financial Statements for more information. Basic and diluted earnings per common share and the average number of common shares outstanding were retrospectively restated for the number of Energizer shares outstanding immediately following this transaction.

The above financial statements should be read in conjunction with the Notes To Consolidated (Condensed) Financial Statements (Unaudited).

ENERGIZER HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS
(Condensed)
(In millions - Unaudited)

Assets	June 30, 2016	September 30, 2015
Current assets		
Cash and cash equivalents	\$ 567.1	\$ 502.1
Trade receivables, less allowance for doubtful accounts of \$5.9 and \$7.0, respectively	145.2	155.5
Inventories	231.9	275.9
Other current assets	118.3	143.4
Total current assets	1,062.5	1,076.9
Property, plant and equipment, net	197.2	205.6
Goodwill	36.8	38.1
Other intangible assets	77.5	76.3
Deferred tax asset	162.9	163.1
Other assets	59.9	58.6
Total assets	\$ 1,596.8	\$ 1,618.6
Liabilities and Shareholders' Deficit		
Current liabilities		
Current maturities of long-term debt	\$ 4.0	\$ 3.0
Note payable	9.3	5.2
Accounts payable	161.5	167.0
Other current liabilities	232.0	291.2
Total current liabilities	406.8	466.4
Long-term debt	982.4	984.3
Other liabilities	210.4	228.0
Total liabilities	1,599.6	1,678.7
Shareholders' deficit		
Common stock	0.6	0.6
Additional paid-in capital	193.3	181.7
Retained earnings	65.3	6.9
Treasury stock	(21.4)	—
Accumulated other comprehensive loss	(240.6)	(249.3)
Total shareholders' deficit	(2.8)	(60.1)
Total liabilities and shareholders' deficit	\$ 1,596.8	\$ 1,618.6

The above financial statements should be read in conjunction with the Notes To Consolidated (Condensed) Financial Statements (Unaudited).

ENERGIZER HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Condensed)
(In millions - Unaudited)

	For the Nine Months Ended June 30,	
	2016	2015
Cash Flow from Operating Activities		
Net earnings/(loss)	\$ 106.1	\$ (27.1)
Non-cash restructuring costs	4.5	12.8
Depreciation and amortization	23.4	33.2
Venezuela deconsolidation charge	—	65.2
Deferred income taxes	1.9	0.4
Share-based payments	15.3	7.2
Non-cash items included in income, net	0.5	(5.4)
Other, net	(19.3)	(12.8)
Changes in current assets and liabilities used in operations	9.5	29.4
Net cash from operating activities	141.9	102.9
Cash Flow from Investing Activities		
Capital expenditures	(17.8)	(31.1)
Proceeds from sale of assets	1.5	13.7
Acquisitions, net of cash acquired	—	(12.1)
Net cash used by investing activities	(16.3)	(29.5)
Cash Flow from Financing Activities		
Cash proceeds from issuance of debt with original maturities greater than 90 days	—	999.0
Payments on debt with maturities greater than 90 days	(2.0)	—
Net increase in debt with original maturities of 90 days or less	4.9	—
Dividends paid	(46.4)	—
Common stock purchased	(21.8)	—
Taxes paid for withheld share-based payments	(4.1)	—
Excess tax benefits from share-based payments	0.8	—
Net transfers to Edgewell	—	(1,066.6)
Deferred Finance Expense	—	(12.1)
Net cash used by financing activities	(68.6)	(79.7)
Effect of exchange rate changes on cash	8.0	(0.8)
Net increase/(decrease) in cash and cash equivalents	65.0	(7.1)
Cash and cash equivalents, beginning of period	502.1	89.6
Cash and cash equivalents, end of period	\$ 567.1	\$ 82.5

The above financial statements should be read in conjunction with the Notes To Consolidated (Condensed) Financial Statements (Unaudited).

ENERGIZER HOLDINGS, INC.
NOTES TO CONSOLIDATED (CONDENSED) FINANCIAL STATEMENTS
June 30, 2016
(In millions, except per share data - Unaudited)

(1) Description of Business and Basis of Presentation

Description of Business - Energizer Holdings, Inc., including its subsidiaries, (Energizer or the Company) is a global manufacturer, marketer and distributor of household batteries, specialty batteries and portable lights under the Energizer and Eveready brand names. Energizer offers batteries using lithium, alkaline, carbon zinc, nickel metal hydride, zinc air and silver oxide technologies.

On July 1, 2015, Energizer completed its legal separation from Edgewell Personal Care Company (Edgewell) via a tax free spin-off (the spin-off or spin). To effect the separation, Edgewell undertook a series of transactions to separate net assets and legal entities. As a result of these transactions, Energizer holds the Household Products' product group and Edgewell holds the Personal Care product group. As a result of the spin-off, Energizer operates as an independent, publicly traded company on the New York Stock Exchange trading under the symbol "ENR."

In conjunction with the spin-off, Edgewell distributed 62,193,281 shares of Energizer common stock to its shareholders. Under the terms of the spin-off, Edgewell common shareholders of record as of the close of business on June 16, 2015, the record date for the distribution, received one share of Energizer for each share of Edgewell common stock they held. Edgewell completed the distribution of Energizer common stock to its shareholders on July 1, 2015, the distribution date. Edgewell structured the distribution to be tax-free to its U.S. shareholders for U.S. federal income tax purposes.

Basis of Presentation - The accompanying unaudited Consolidated Condensed Financial Statements include the accounts of Energizer and its subsidiaries. All significant intercompany transactions are eliminated. Energizer has no material equity method investments, variable interests or non-controlling interests.

For the three and nine months ended June 30, 2015, which was prior to the spin-off, our financial statements were prepared on a combined standalone basis derived from the financial statements and accounting records of Edgewell and included expense allocations for: (1) certain product warehousing and distribution; (2) various transaction process functions; (3) a consolidated sales force and management for certain countries; (4) certain support functions that were provided on a centralized basis within Edgewell and not recorded at the business division level, including, but not limited to, finance, audit, legal, information technology, human resources, communications, facilities, and compliance; (5) employee benefits and compensation; (6) share-based compensation; (7) financing costs; (8) the effects of restructurings and the Venezuela deconsolidation; and (9) cost of early debt retirement. These expenses were allocated to Energizer on the basis of direct usage where identifiable, with the remainder allocated on a basis of global net sales, cost of sales, operating income, headcount or other measures of Energizer and Edgewell. Management believes the assumptions regarding allocated expenses reasonably reflect the utilization of services provided to or the benefit received by Energizer during the periods prior to the spin-off. Nevertheless, the allocations may not include all of the actual expenses that would have been incurred by Energizer and may not reflect our results of operations, financial position and cash flows had we been an independent standalone company during that period. It is not practicable to estimate actual costs that would have been incurred had Energizer been a standalone company during the periods prior to the spin-off. Actual costs that would have been incurred if Energizer had been a standalone company would depend on multiple factors, including organizational structure and strategic decisions made in various areas, such as information technology and infrastructure.

The accompanying unaudited Consolidated Condensed Financial Statements have been prepared in accordance with Article 10 of Regulation S-X and do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. The year-end condensed Consolidated Balance Sheet was derived from the audited financial statements included in Energizer's Report on Form 10-K, but does not include all disclosures required by U.S. GAAP. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Certain reclassifications have been made to the prior year financial statements to conform to the current presentation. Operating results for any quarter are not necessarily indicative of the results for any other quarter or for the full year. These statements should be read in conjunction with the

financial statements and notes thereto for Energizer for the year ended September 30, 2015 included in the Annual Report on Form 10-K dated November 20, 2015.

Recently Adopted Accounting Pronouncements - During the quarter ended December 31, 2015, the Company adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2015-17, *Balance Sheet Classification of Deferred Taxes*. This guidance requires that all deferred tax assets and liabilities, along with any related valuation allowance, be classified as noncurrent on the balance sheet and results in each tax paying jurisdiction having either a noncurrent deferred tax asset or a noncurrent deferred tax liability. The netting of different jurisdictions' noncurrent deferred tax assets and liabilities is still prohibited.

As of June 30, 2016, the Company had a long term deferred tax asset balance of \$162.9 and a long term deferred tax liability balance of \$9.5. The Company applied this guidance retrospectively and the reclassification resulted in a long term deferred tax asset balance as of September 30, 2015 of \$163.1, an increase of \$49.3 to the previously reported balance. Additionally, the long term deferred tax liability increased \$1.2, resulting in a balance of \$8.8, as of September 30, 2015. The current portion of the deferred tax asset and deferred tax liability had previously been reported in Other current assets and Other current liabilities, respectively.

During the quarter ended December 31, 2015, the Company adopted FASB ASU 2015-03, *Simplifying the Presentation of Debt Issuance Costs*, and FASB ASU 2015-15, *Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements*. These ASUs require most debt issuance costs to be presented in the balance sheet as a direct deduction from the associated debt liability rather than as an asset; however debt issuance costs relating to revolving credit facilities will remain in other assets. We adopted this standard for the first fiscal quarter of 2016 and applied it retrospectively to September 30, 2015. See Note 11, *Debt*. The balance for unamortized debt issuance costs that were reclassified to Debt and from Other assets were \$9.8, and \$10.7 at June 30, 2016 and September 30, 2015, respectively.

Recently Issued Accounting Pronouncements - On September 25, 2015, the FASB issued ASU 2015-16, *Simplifying the Accounting for Measurement-Period Adjustments*. This guidance requires that the acquirer recognize adjustments to provisional amounts recognized as part of a business combination in the period the adjustments are determined, rather than retrospectively adjusting previously reported amounts. This update is effective for fiscal years beginning after December 15, 2015, and early adoption is permitted. Energizer will adopt this guidance effective July 1, 2016.

On February 25, 2016, the FASB issued ASU 2016-02, *Leases*. This ASU aligns the measurement of leases under GAAP more closely with International Financial Reporting Standards by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The amendments in this update will be effective for Energizer beginning October 1, 2019 with early adoption permitted. Energizer is in the process of evaluating the impact the revised guidance will have on its financial statements.

On March 31, 2016, the FASB issued ASU 2016-09, *Compensation - Stock Compensation*. This new ASU simplifies the accounting for share based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. The update will be effective for Energizer beginning October 1, 2017 with early adoption permitted. Energizer is in the process of evaluating the impact the revised guidance will have on its financial statements.

(2) Spin Costs

The Company incurred costs associated with the evaluation, planning and execution of the spin transaction. During the quarter ended June 30, 2016, the Company incurred \$2.8 in spin costs including \$2.0 recorded in SG&A and \$0.9 recorded in spin restructuring slightly offset by income of \$0.1 recorded in cost of products sold (COGS). For the nine months ended June 30, 2016, the Company incurred \$11.6 in spin costs including \$10.2 recorded in SG&A, \$0.4 recorded in COGS and \$1.0 recorded in spin restructuring.

For the quarter ended June 30, 2015, the Company was allocated spin costs of \$76.2 from Edgewell of which \$37.8 was recorded in SG&A, \$11.7 was recorded in spin restructuring and \$26.7 of cost of early debt retirement was recorded in interest expense. For the nine months ended June 30, 2015, the Company was allocated spin costs of \$145.6 from Edgewell of which \$82.9 was recorded in SG&A, \$36.0 was recorded in spin restructuring, and \$26.7 of cost of early debt retirement was recorded in interest expense.

On a project to date basis, the total costs incurred and allocated to Energizer for the spin-off were \$196.8, inclusive of the costs of early debt retirement recorded in fiscal 2015. Energizer expects the remaining spin costs to be immaterial.

Energizer does not include the spin restructuring costs in the results of its reportable segments. The estimated impact of allocating such expenses/(income) to segment results would have been as follows:

	Quarter Ended June 30, 2016					
	North America	Latin America	EMEA	Asia Pacific	Corporate	Total
Severance and termination related costs	\$ 0.1	\$ —	\$ 0.2	\$ (0.3)	\$ —	\$ —
Other exit costs	0.4	—	0.3	0.2	—	0.9
Total	\$ 0.5	\$ —	\$ 0.5	\$ (0.1)	\$ —	\$ 0.9
	Nine Months Ended June 30, 2016					
	North America	Latin America	EMEA	Asia Pacific	Corporate	Total
Severance and termination related costs	\$ (1.6)	\$ —	\$ 0.8	\$ 0.8	\$ —	\$ —
Non-cash asset write-down	—	—	0.1	—	—	0.1
Other exit costs	(0.2)	0.2	0.7	0.8	—	1.5
Net gain on asset sales	—	—	(0.6)	—	—	(0.6)
Total	\$ (1.8)	\$ 0.2	\$ 1.0	\$ 1.6	\$ —	\$ 1.0
	Quarter Ended June 30, 2015					
	North America	Latin America	EMEA	Asia Pacific	Corporate	Total
Severance and termination related costs	\$ 0.1	\$ 2.2	\$ 3.4	\$ (1.8)	\$ 4.8	\$ 8.7
Non-cash asset write-down	—	0.6	0.2	0.3	—	1.1
Other exit costs	0.1	0.2	0.6	1.1	(0.1)	1.9
Total	\$ 0.2	\$ 3.0	\$ 4.2	\$ (0.4)	\$ 4.7	\$ 11.7
	Nine Months Ended June 30, 2015					
	North America	Latin America	EMEA	Asia Pacific	Corporate	Total
Severance and termination related costs	\$ 4.2	\$ 4.9	\$ 4.1	\$ 4.8	\$ 12.0	\$ 30.0
Non-cash asset write-down	—	3.2	0.2	0.3	—	3.7
Other exit costs	0.1	0.3	0.7	1.2	—	2.3
Total	\$ 4.3	\$ 8.4	\$ 5.0	\$ 6.3	\$ 12.0	\$ 36.0

The following table represents the spin restructuring accrual activity and ending accrual balance at June 30, 2016 and June 30, 2015 included in other current liabilities on the Consolidated Condensed Balance Sheet:

	October 1, 2015	Charge to Income	Other (a)	Utilized		June 30, 2016
				Cash	Non-Cash	
Severance and termination related costs	\$ 12.0	\$ —	\$ —	\$ (9.0)	\$ —	\$ 3.0
Non-cash asset write down	—	0.1	—	—	(0.1)	—
Other exit costs	0.3	1.5	—	(1.8)	—	—
Net gain on asset sales	—	(0.6)	—	0.6	—	—
Total	\$ 12.3	\$ 1.0	\$ —	\$ (10.2)	\$ (0.1)	\$ 3.0

	October 1, 2014	Charge to Income	Other (a)	Utilized		June 30, 2015
				Cash	Non-Cash	
Severance & Termination Related Costs	\$ —	\$ 30.0	\$ (0.5)	\$ (13.0)	\$ —	\$ 16.5
Non-cash asset write down	—	3.7	—	—	(3.7)	—
Other exit costs	—	2.3	—	—	—	2.3
Total	\$ —	\$ 36.0	\$ (0.5)	\$ (13.0)	\$ (3.7)	\$ 18.8

(a) Includes the impact of currency translation.

(3) Restructuring

2013 Restructuring

In November 2012, Edgewell's Board of Directors authorized an enterprise-wide restructuring plan and delegated authority to management to determine the final actions with respect to this plan (2013 restructuring project). This initiative impacted Edgewell's Household Products and Personal Care businesses. In January 2014, Edgewell's Board of Directors authorized an expansion of scope of the previously announced 2013 restructuring project.

There were no restructuring charges for the three months ended June 30, 2016. The pre-tax expense/(income) for charges and credits related to the 2013 restructuring project for Energizer for the nine months ended June 30, 2016 and for the quarter and nine months ended June 30, 2015 are noted in the tables below:

	Nine Months Ended June 30, 2016					
	North America	Latin America	EMEA	Asia Pacific	Corporate	Total
Severance and related benefit costs	\$ 0.3	\$ —	\$ —	\$ —	\$ —	\$ 0.3
Consulting, program management and other exit costs	—	—	—	0.2	—	0.2
Net loss on asset sales	2.0	—	—	—	—	2.0
Total	\$ 2.3	\$ —	\$ —	\$ 0.2	\$ —	\$ 2.5

Quarter Ended June 30, 2015

	North America	Latin America	EMEA	Asia Pacific	Corporate	Total
Severance and related benefit costs	\$ —	\$ —	\$ —	\$ 6.7	\$ —	\$ 6.7
Accelerated depreciation	—	—	—	9.1	—	9.1
Consulting, program management and other exit costs	0.5	—	0.1	1.7	—	2.3
Total	\$ 0.5	\$ —	\$ 0.1	\$ 17.5	\$ —	\$ 18.1

Nine Months Ended June 30, 2015

	North America	Latin America	EMEA	Asia Pacific	Corporate	Total
Severance and related benefit costs	\$ (0.2)	\$ 0.3	\$ 0.3	\$ 6.6	\$ (0.2)	\$ 6.8
Accelerated depreciation	—	—	—	9.1	—	9.1
Consulting, program management and other exit costs	1.6	0.1	0.3	1.9	—	3.9
Net gain on asset sales	—	—	—	(11.0)	—	(11.0)
Total	\$ 1.4	\$ 0.4	\$ 0.6	\$ 6.6	\$ (0.2)	\$ 8.8

Total pre-tax restructuring charges since the inception of the project and through June 30, 2016, have totaled approximately \$200. We expect the remaining costs, if any, to be immaterial.

For the nine months ended June 30, 2016, Energizer recorded pre-tax charges of \$2.5 related to the 2013 restructuring project. For the quarter and nine months ended June 30, 2015, Energizer recorded pre-tax restructuring charges of \$18.1 and \$8.8, respectively, related to the 2013 restructuring project. Restructuring charges were reflected on a separate line in the unaudited Consolidated Condensed Statements of Earnings and Comprehensive Income. In addition, pretax costs of \$0.2 and \$0.3 associated with information technology enablement activities were recorded within SG&A on the unaudited Consolidated Condensed Statements of Earnings and Comprehensive Income for the quarter and nine months ended June 30, 2015. These information technology costs are considered part of the total project costs incurred for the 2013 restructuring project. Additionally, pretax costs of \$1.1 for the quarter and nine months ended June 30, 2015, associated with obsolescence charges related to our restructuring, were included in Cost of products sold on the unaudited Combined Condensed Statements of Earnings and Comprehensive Income.

The following table summarizes the 2013 restructuring activities and related accrual (excluding certain information technology enablement charges related to the restructuring) for the nine months ended June 30, 2016 and 2015:

	Charge to			Utilized		June 30, 2016
				Cash	Non-Cash	
	October 1, 2015	Income	Other (a)			
Severance & Termination Related Costs	\$ 1.9	\$ 0.3	\$ —	\$ (1.8)	\$ —	\$ 0.4
Other Related Costs	2.1	0.2	—	(1.2)	—	1.1
Net loss on asset sales	—	2.0	—	—	(2.0)	—
Total	\$ 4.0	\$ 2.5	\$ —	\$ (3.0)	\$ (2.0)	\$ 1.5

	Charge to		Utilized			June 30, 2015
	October 1, 2014	Income	Other (a)	Cash	Non-Cash	
Severance & Termination Related Costs	\$ 12.4	\$ 6.8	\$ 1.8	\$ (8.5)	\$ —	\$ 12.5
Accelerated Depreciation	—	9.1	—	—	(9.1)	—
Other Related Costs	—	3.9	—	(3.9)	—	—
Net (gain)/loss on asset sales	—	(11.0)	0.3	13.7	(3.0)	—
Total	\$ 12.4	\$ 8.8	\$ 2.1	\$ 1.3	\$ (12.1)	\$ 12.5

(a) Includes the impact of currency translation and contributions from Edgewell in fiscal 2015.

Other Activities

The Company is also streamlining certain manufacturing operations. During the quarter and nine months ended June 30, 2016, the Company recorded \$0.1 and \$2.4, respectively, of accelerated depreciation in cost of products sold on the unaudited Consolidated Condensed Statements of Earnings and Comprehensive Income related to the streamlining of a plant in North America. The streamlining of this plant is expected to be completed in fiscal 2016 and the overall charges are not expected to be material to the consolidated operations.

(4) Acquisitions

On December 12, 2014, Edgewell, on behalf of Energizer, completed an acquisition of a battery manufacturing facility in China, primarily related to the purchase of fixed assets, for a total purchase price of \$12.1. The purchase price allocation was completed during fiscal 2015. We determined the fair values of assets acquired and liabilities assumed for purposes of allocating the purchase price in accordance with accounting guidance for business combinations. Based on the allocation of the purchase price, this transaction resulted in approximately \$2.3 of goodwill.

Subsequent to quarter end, on July 1, 2016, the Company acquired 100% of HandStands Holding Corporation (HandStands), a designer and marketer of automotive fragrance and appearance products, for a total purchase price of \$340.0 plus preliminary working capital adjustments of \$3.6, net of acquired cash, and subject to further working capital adjustments. The Company financed the acquisition with \$300.0 of cash on hand and \$43.6 of borrowings on our senior secured credit facility (Revolving Facility). The Company initially utilized a \$200.0 bridge loan and \$143.6 of borrowings on our Revolving Facility to complete the transaction. In the month of July, the bridge loan and \$100.0 of our Revolving Facility borrowings have subsequently been paid down utilizing cash on hand. The Company did not incur incremental U.S. taxes from utilizing foreign cash for this transaction.

Handstands brands include Refresh Your Car!®, California Scents®, Driven®, Bahama & Co.®, LEXOL® and Eagle One®. The acquisition will allow the Company to expand its portfolio, increase presence at existing customers, and utilize its scale and global supply chain to drive efficiencies. The Company incurred \$4.1 of acquisition related costs in the quarter ended June 30, 2016 which were recorded within SG&A on the unaudited Consolidated Condensed Statements of Earnings and Comprehensive Income

We have calculated preliminary fair values of assets and liabilities acquired for HandStands based on our initial valuation analysis. For purposes of the preliminary allocation, the Company has estimated a fair value adjustment for inventory based on the estimated selling price of finished goods on hand at the closing date less the sum of (a) costs of disposal and (b) a reasonable profit allowance for the selling effort of the acquiring entity. The fair value adjustment for acquired property, plant and equipment was established using a cost approach. The fair values of HandStands' identifiable intangible assets were estimated using various valuation methods including discounted cash flows using an income approach. Estimated deferred income tax impacts as a result of purchase accounting adjustments are reflected using the best estimate of the applicable statutory income tax rates.

The preliminary purchase price allocation is as follows:

Accounts receivable, net	\$	22.5
Inventory		32.5
Other current assets		2.3
Property, plant and equipment, net		6.3
Goodwill		209.4
Other identifiable intangible assets, net		157.9
Accounts payable		(16.4)
Other liabilities		(3.7)
Deferred income taxes		(67.2)
Net assets acquired	\$	<u>343.6</u>

The preliminary estimate of purchased identifiable intangible assets of \$157.9 is included in the table below.

	Total	Weighted Average Useful Lives
Trademarks	\$ 40.0	15.0 years
Customer Relationships	82.9	16.3 years
Patents	34.5	14.1 years
Non-Compete	0.5	5.0 years
Total Preliminary Other Intangible Assets	<u>\$ 157.9</u>	15.4 years

Estimated asset valuations and assumed liabilities, including deferred income taxes, may be adjusted in subsequent filings as final purchase price allocations are completed. Any changes to the initial estimates of the fair value of assets and liabilities acquired will be allocated to residual goodwill.

The goodwill acquired in this acquisition is attributable to the workforce of the acquired business and the synergies expected to arise with this transaction. The assignment of goodwill to our reportable segments is not currently complete. A portion of goodwill is expected to be deductible for tax purposes.

Pro forma revenue and operating statements are not currently available as we are completing the review of historical financial data through June 30, 2016 and 2015.

(5) Venezuela

Effective January 1, 2010 and through March 31, 2015, the financial statements for our Venezuela subsidiary were consolidated under the rules governing the translation of financial information in a highly inflationary economy based on the use of the blended National Consumer Price Index in Venezuela. Through March 31, 2015, the results of the Venezuela subsidiary were still included in our consolidated financial statements using the consolidation method of accounting.

During the second fiscal quarter of 2015, Edgewell determined that the Venezuelan exchange control regulations resulted in an other-than-temporary lack of exchangeability between the Venezuelan bolivar and U.S. dollar, and have restricted the Company's Venezuelan operations' ability to pay dividends and settle intercompany obligations. The severe currency controls imposed by the Venezuelan government significantly limited management's ability to realize the benefits from earnings of the Company's Venezuelan operations and access the resulting liquidity provided by those earnings. This lack of exchangeability resulted in a lack of control over the Venezuelan subsidiaries for accounting purposes. Edgewell deconsolidated its Venezuelan subsidiaries on March 31, 2015 and began accounting for its investment in its Venezuelan operations using the cost method of accounting. As a result of deconsolidating its Venezuelan subsidiaries, Edgewell recorded a one-time charge of \$144.5 in the second quarter of 2015, of which \$65.2 was allocated to Energizer based on the Venezuelan operations being distributed as part of Energizer. This charge included:

- foreign currency translation losses previously recorded in accumulated other comprehensive income, of which \$16.2 was allocated to Energizer
- the write-off of Edgewell's Venezuelan operations' cash balance, of which \$44.6 was allocated to Energizer, (at the 6.30 per U.S. dollar rate)
- the write-off of Edgewell's Venezuelan operations' other net assets, of which \$4.4 was allocated to Energizer

Since the deconsolidation as of March 31, 2015, the Company's financial results do not include the operating results of the Venezuelan operations. Instead, Energizer records revenue for sales of inventory to our Venezuelan operations in our consolidated financial statements to the extent cash is received. Further, dividends from Energizer's Venezuelan subsidiaries are recorded as other income upon receipt of the cash. These amounts are immaterial for periods subsequent to deconsolidation.

The Company continues to evaluate its control over its Venezuela operations and does not believe that circumstances have changed in Venezuela's exchange control regulations that would lead to the Company having control over its operations.

(6) Income Taxes

On November 20, 2015, the FASB issued a new ASU which requires that all deferred taxes to be classified as either a non-current asset or liability. During the quarter ended December 31, 2015, the Company early adopted the standard and applied it retroactively to September 30, 2015. See further discussion in Note 1, *Description of Business and Basis of Presentation*.

The nine month effective tax rate was 23.8% as compared to a benefit of 12.0% for the prior year comparative period. The current year effective tax rate reflects the favorable impacts of adjustments related to prior year provision estimates and certain spin related adjustments of approximately \$9.0. These favorable adjustments are included in the current quarter's results and were the primary driver of the \$0.5 tax benefit. The prior year rate was largely impacted by the Venezuela deconsolidation charge of \$65.2, which had no accompanying tax benefit.

(7) Share-Based Payments

Total compensation cost charged against income for Energizer's share-based compensation arrangements was \$4.6 and \$15.3 for the quarter and nine months ended June 30, 2016, respectively, and \$1.8 and \$7.2 for the quarter and nine months ended June 30, 2015, respectively, and were recorded in SG&A expense. The total income tax benefit recognized in the unaudited Consolidated Condensed Statements of Earnings and Comprehensive Income for share-based compensation arrangements was \$1.7 and \$5.7 for the quarter and nine months ended June 30, 2016, respectively, and \$0.7 and \$2.7 for the quarter and nine months ended June 30, 2015, respectively.

Restricted Stock Equivalents (RSE)—(in whole dollars and total shares)

In November 2015, the Company granted RSE awards to a group of key employees which included approximately 106,000 shares that vest ratably over four years and granted RSE awards to a group of key executives of approximately 87,000 shares that vest on the third anniversary of the date of the grant. In addition, the Company granted approximately 290,000 performance shares to a group of key employees and key executives that will vest subject to meeting target cumulative adjusted earnings per share and cumulative free cash flow as a percentage of sales metrics over the three year performance period. The closing stock price on the date of the grant used to determine the award fair value was \$37.34.

(8) Earnings per share

Basic earnings per share is based on the average number of common shares outstanding during the period. Diluted earnings per share is based on the average number of shares used for the basic earnings per share calculation, adjusted for the dilutive effect of restricted stock equivalents and performance share awards.

The following table sets forth the computation of basic and diluted earnings per share for the quarter and nine months ended June 30, 2016 and 2015, respectively.

(in millions, except per share data)

	For the Quarter Ended June 30,		For the Nine Months Ended June 30,	
	2016	2015	2016	2015
Net earnings/(loss)	\$ 24.2	\$ (19.6)	\$ 106.1	\$ (27.1)
Basic average shares outstanding	61.8	62.2	61.9	62.2
Effect of dilutive restricted stock equivalents	0.7	—	0.5	—
Effect of dilutive performance shares	0.2	—	0.1	—
Diluted average shares outstanding	62.7	62.2	62.5	62.2
Basic earnings/(loss) per common share	\$ 0.39	\$ (0.32)	\$ 1.71	\$ (0.44)
Diluted earnings/(loss) per common share	\$ 0.39	\$ (0.32)	\$ 1.70	\$ (0.44)

For the quarter and nine months ended June 30, 2016, all restricted stock equivalents and performance shares were dilutive and included in the diluted net earnings per share calculations.

For the quarter and nine months ended June 30, 2015, basic and diluted earnings per common share and the average number of common shares outstanding were retrospectively restated for the number of Energizer shares outstanding immediately following the spin-off. The same number of shares was used to calculate basic and diluted earnings per share since no Energizer equity awards were outstanding prior to the spin-off.

(9) Segments

Operations for Energizer are managed via four major geographic reportable segments: North America (the United States and Canada), Latin America, Europe, Middle East and Africa ("EMEA"), and Asia Pacific. Segment performance is evaluated based on segment operating profit, exclusive of general corporate expenses, share-based compensation costs, costs associated with most restructuring initiatives, business realignment activities, research & development costs, and other items determined to be corporate in nature. Financial items, such as interest income and expense, are managed on a global basis at the corporate level. The exclusion of substantially all restructuring and realignment costs from segment results reflects management's view on how it evaluates segment performance.

Energizer's operating model includes a combination of standalone and shared business functions between the geographic segments, varying by country and region of the world. Shared functions include IT and finance shared service costs. Energizer applies a fully allocated cost basis, in which shared business functions are allocated between segments. Such allocations are estimates, and do not represent the costs of such services if performed on a standalone basis.

Corporate assets shown in the following table include all cash, financial instruments and deferred tax assets that are managed outside of operating segments.

Segment sales and profitability for the quarter and nine months ended June 30, 2016 and 2015, respectively, are presented below:

	For the Quarter Ended June 30,		For the Nine Months Ended June 30,	
	2016	2015	2016	2015
Net Sales				
North America	\$ 188.0	\$ 184.9	\$ 636.0	\$ 605.9
Latin America	25.9	27.8	86.5	99.9
EMEA	77.2	82.3	271.4	287.4
Asia Pacific	69.9	79.3	207.9	239.3
Total net sales	\$ 361.0	\$ 374.3	\$ 1,201.8	\$ 1,232.5
Segment Profit				
North America	\$ 46.0	\$ 46.4	\$ 177.9	\$ 163.1
Latin America	3.1	6.8	15.6	16.8
EMEA	8.9	8.8	40.1	52.8
Asia Pacific	16.8	20.7	50.8	63.8
Total segment profit	74.8	82.7	284.4	296.5
General corporate and other expenses	(19.7)	(9.8)	(56.9)	(43.0)
Global marketing expense (1)	(5.1)	(5.9)	(10.4)	(16.3)
Research and development expense	(6.6)	(6.5)	(19.1)	(19.1)
Venezuela deconsolidation charge	—	—	—	(65.2)
Restructuring (2)	(0.1)	(19.4)	(4.9)	(10.2)
Acquisition and integration costs (1)	(4.1)	(0.4)	(4.1)	(1.3)
Spin costs (3)	(1.9)	(37.8)	(10.6)	(82.9)
Spin restructuring	(0.9)	(11.7)	(1.0)	(36.0)
Cost of early debt retirement (4)	—	(26.7)	—	(26.7)
Interest expense	(13.1)	(10.8)	(39.1)	(38.5)
Other financing items, net	0.4	5.8	0.9	11.9
Total earnings/(loss) before income taxes	\$ 23.7	\$ (40.5)	\$ 139.2	\$ (30.8)

(1) Included in SG&A in the unaudited Consolidated Condensed Statement of Earnings and Comprehensive Income.

(2) Includes pre-tax costs of \$0.1 and \$2.4 for the quarter and nine months ended June 30, 2016, respectively, of accelerated depreciation related to our streamlining of plants recorded in cost of products sold (COGS) and \$1.1 for both the quarter and nine months ended June 30, 2015 of inventory obsolescence recorded in COGS and \$0.2 and \$0.3 for the quarter and nine months ended June 30, 2015, respectively, associated with certain information technology and related activities, which are included in SG&A on the unaudited Consolidated Condensed Statements of Earnings and Comprehensive Income.

(3) The quarter and nine months ended June 30, 2016 included income of \$0.1 and charges of \$0.4 in cost of products sold, respectively. All remaining spin costs were included in SG&A in the unaudited Consolidated Condensed Statements of Earnings and Comprehensive Income.

(4) Included in Interest expense in the unaudited Consolidated Statement of Earnings and Comprehensive Income.

Supplemental product information is presented below for revenues from external customers:

Net Sales	For the Quarter Ended June 30,		Nine Months Ended June 30,	
	2016	2015	2016	2015
Alkaline batteries	\$ 228.6	\$ 233.9	\$ 768.8	\$ 786.2
Other batteries and lighting products	132.4	140.4	433.0	446.3
Total net sales	\$ 361.0	\$ 374.3	\$ 1,201.8	\$ 1,232.5

Total assets by segment are presented below:

	June 30, 2016	September 30, 2015
North America	\$ 340.8	\$ 394.8
Latin America	50.9	63.3
EMEA	225.4	237.5
Asia Pacific	642.6	573.2
Total segment assets	\$ 1,259.7	\$ 1,268.8
Corporate	222.8	235.4
Goodwill and other intangible assets	114.3	114.4
Total assets	\$ 1,596.8	\$ 1,618.6

(10) Goodwill and intangible assets

Goodwill and intangible assets deemed to have an indefinite life are not amortized, but are evaluated annually for impairment as part of our annual business planning cycle in the fourth fiscal quarter, or when indicators of a potential impairment are present.

The following table sets forth goodwill by segment as of October 1, 2015 and June 30, 2016:

	North America	Latin America	EMEA	Asia Pacific	Total
Balance at October 1, 2015	\$ 19.1	\$ 1.6	\$ 6.0	\$ 11.4	\$ 38.1
Cumulative translation adjustment	—	(0.1)	(0.5)	(0.7)	(1.3)
Balance at June 30, 2016	\$ 19.1	\$ 1.5	\$ 5.5	\$ 10.7	\$ 36.8

Energizer had indefinite-lived intangible assets of \$77.5 at June 30, 2016 and \$76.3 at September 30, 2015. Changes in indefinite-lived intangible assets are due to changes in foreign currency translation. Energizer had no amortizable intangible assets at June 30, 2016 or September 30, 2015.

(11) Debt

On April 7, 2015, the FASB issued a new ASU, which requires debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. On August 18, 2015, the FASB issued a new ASU which confirmed that fees related to credit facilities meet the definition of an asset and should continue to be classified as an asset. During the quarter ended December 31, 2015, the Company early adopted these standards and applied them retroactively to September 30, 2015. See further discussion in Note 1, *Description of Business and Basis of Presentation*.

The detail of long-term debt was as follows:

	June 30, 2016	September 30, 2015
Senior Secured Term Loan B Facility due 2022	\$ 397.0	\$ 399.0
5.50% Senior Notes due 2025	600.0	600.0
Total long-term debt, including current maturities	997.0	999.0
Less current portion	(4.0)	(3.0)
Less unamortized debt discount and debt issuance fees	(10.6)	(11.7)
Total long-term debt	\$ 982.4	\$ 984.3

On June 1, 2015, the Company entered into a credit agreement which provides for a five-year \$250.0 senior secured revolving credit facility (Revolving Facility) and a seven-year \$400.0 senior secured term loan B facility (Term Loan) that became effective on June 30, 2015. Also on June 1, 2015, Energizer completed the issuance and sale of \$600.0 of 5.50% Senior Notes due 2025 (Senior Notes), with proceeds placed in escrow and released June 30, 2015. The proceeds from the Term Loan and Senior Notes were transferred to Edgewell on June 30, 2015 in exchange for the contribution of certain assets by Edgewell to the Company in connection with the separation.

Borrowings under the Revolving Facility will bear interest at LIBOR or the Base Rate (as defined) plus the applicable margin based on total Company leverage. As of June 30, 2016, the Company did not have outstanding borrowings under the Revolving Facility and had \$6.4 of outstanding letters of credit. Taking into account outstanding letters of credit, \$243.6 remains available as of June 30, 2016.

The \$400.0 Term Loan was issued at a \$1.0 discount and bears interest at LIBOR, subject to a 75 basis points floor, plus 250 basis points or the Base Rate (as defined). The loans and commitments under the Term Loan require quarterly principal payments at a rate of 0.25% of the original principal balance. Obligations under the Revolving Facility and Term Loan are jointly and severally guaranteed by certain of its existing and future direct and indirectly wholly-owned U.S. subsidiaries. There is a first priority perfected lien on substantially all of the assets and property of the Company and guarantors and proceeds therefrom excluding certain excluded assets. In August 2015, the Company entered into an interest rate swap agreement with one major financial institution that fixed the variable benchmark component (LIBOR) on \$200.0 of Energizer's variable rate debt through June 2022 at an interest rate of 2.22%. For the quarter ended June 30, 2016, our weighted average interest rate on variable rate debt was 3.65%.

The Senior Notes were sold to qualified institutional buyers and will not be registered under the Securities Act or applicable state securities laws. Interest is payable semi-annually on the Senior Notes, and payments began on December 15, 2015. The Senior Notes are fully and unconditionally guaranteed, jointly and severally, on an unsecured basis by each of the Company's domestic restricted subsidiaries that is a borrower or guarantor under the Revolving Facility and Term Loan.

The notes payable balance of \$9.3 at June 30, 2016 and \$5.2 at September 30, 2015 are comprised of borrowings in certain foreign affiliates.

Subsequent to quarter end, on July 1, 2016, the Company financed the HandStands acquisition with a \$200.0 bridge loan and 143.6 of borrowings on our Revolving Facility. On July 8, 2016, the Company entered into an amendment to the existing credit agreement to increase capacity on the Revolving Facility to \$350.0. This additional capacity is available to be utilized for working capital and other general corporate purposes. There were no other changes to the terms of the Revolving Facility. In the month of July, the bridge loan and \$100.0 of our Revolving Facility borrowings have subsequently been paid down utilizing cash on hand.

Debt Covenants

The agreements governing the Company's debt contain certain customary representations and warranties, affirmative covenants and provisions relating to events of default. If the Company fails to comply with these covenants or with other requirements of these debt agreements, the lenders may have the right to accelerate the maturity of the debt. Acceleration under one of these facilities would trigger cross defaults to other borrowings. As of June 30, 2016, the Company was, and expects to remain, in compliance with the provisions and covenants associated with its debt agreements.

Aggregate maturities of long-term debt, including current maturities, at June 30, 2016 were as follows: \$4.0 in one year, \$4.0 in two years, \$4.0 in three years, \$4.0 in four years, \$4.0 in five years and \$977.0 thereafter.

The counterparties to long-term committed borrowings consist of a number of major financial institutions. The Company consistently monitors positions with, and credit ratings of, counterparties both internally and by using outside ratings agencies.

(12) Pension Plans

The Company has several defined benefit pension plans covering substantially all of its employees in the United States (U.S.) and certain employees in other countries. The plans provide retirement benefits based on various factors including years of service and in certain circumstances, earnings. The U.S. plan was frozen in fiscal year 2015.

The Company's net periodic pension benefit cost for these plans are as follows:

	For the Quarter Ended June 30, 2016	For the Nine Months Ended June 30, 2016
Service Cost	\$ 0.3	\$ 0.9
Interest Cost	6.7	20.1
Expected return on plan assets	(10.6)	(31.9)
Amortization of unrecognized net losses	1.6	4.8
Settlement charge	0.1	0.3
Net periodic benefit cost / (credit)	\$ (1.9)	\$ (5.8)

Prior to the separation, certain of Energizer's employees participated in defined benefit pension plans sponsored by Edgewell. The combined statement of earnings for the quarter and nine months ended June 30, 2015 include expenses related to these Shared Plans including direct expenses related to Energizer employees as well as allocations of expenses related to corporate employees. Total defined benefit plan expenses from the direct plan were immaterial and total allocation was a credit of \$0.1 and expense of \$5.9 for the quarter and nine months ended June 30, 2015, respectively.

During the quarter ended June 30, 2016, we completed the legal separation of a non U.S. pension plan related to Energizer retirees in Germany that were previously included in the Edgewell pension plan. At September 30, 2015, the liability related to these employees' post retirement benefits was included as a contractual liability in Other long-term liabilities. As a result of this legal separation, this post retirement obligation is now reflected as a pension liability of \$11.6 at June 30, 2016. Both Pension and Other long-term liabilities are included in Other Liabilities on the balance sheet.

The Company also sponsors or participates in a number of other non-U.S. pension arrangements, including various retirement and termination benefit plans, some of which are required by local law or coordinated with government-sponsored plans, which are not significant in the aggregate and, therefore, are not included in the information presented above.

(13) Shareholder's Equity

In July 2015, the Company's Board of Directors approved an authorization for the Company to acquire up to 7.5 million shares of its common stock. Future share repurchases, if any, will be determined by the Company based on its evaluation of the market conditions, capital allocation objectives, legal and regulatory requirements and other factors. During the nine months ended June 30, 2016, the Company repurchased 600,000 shares for \$21.8, at an average price of \$36.27 per share, under this authorization.

On November 16, 2015, the Board of Directors declared a dividend for the first quarter of fiscal 2016 of \$0.25 per share of common stock. The dividend was paid on December 16, 2015 to shareholders of record as of November 30, 2015, and totaled \$15.4.

On February 1, 2016, the Board of Directors declared a dividend for the second quarter of fiscal 2016 of \$0.25 per share of common stock. The dividend was paid on March 16, 2016 to shareholders of record as of February 19, 2016, and totaled \$15.5.

On May 10, 2016, the Board of Directors declared a dividend for the third quarter of fiscal 2016 of \$0.25 per share of common stock. The dividend was paid on June 20, 2016 to shareholders of record as of May 31, 2016, and totaled \$15.5.

Subsequent to the quarter on August 1, 2016, the Board of Directors declared a dividend for the fourth quarter of fiscal 2016 of \$0.25 per share of common stock, which will be paid on September 9, 2016 to shareholders of record as of August 19, 2016.

In addition, the Board of Directors announced their intention to increase the Company's regular quarterly dividend to \$0.275 per share of Common Stock beginning in fiscal year 2017. Future declarations of dividends are subject to Board approval and may be adjusted at the discretion of the Board, as business needs or market conditions change.

(14) Financial Instruments and Risk Management

The market risk inherent in the Company's operations creates potential earnings volatility arising from changes in currency rates, interest rates and commodity prices. The Company's policy allows derivatives to be used only for identifiable exposures and, therefore, the Company does not enter into hedges for trading or speculative purposes where the sole objective is to generate profits.

Concentration of Credit Risk—The counterparties to derivative contracts consist of a number of major financial institutions and are generally institutions with which the Company maintains lines of credit. The Company does not enter into derivative contracts through brokers nor does it trade derivative contracts on any other exchange or over-the-counter markets. Risk of currency positions and mark-to-market valuation of positions are strictly monitored at all times.

The Company continually monitors positions with, and credit ratings of, counterparties both internally and by using outside rating agencies. While nonperformance by these counterparties exposes Energizer to potential credit losses, such losses are not anticipated.

In the ordinary course of business, the Company enters into contractual arrangements (derivatives) to reduce its exposure to commodity price and foreign currency risks. The section below outlines the types of derivatives that existed at June 30, 2016 and 2015, as well as the Company's objectives and strategies for holding these derivative instruments.

Commodity Price Risk—Energizer uses raw materials that are subject to price volatility. The Company has used, and may in the future use, hedging instruments to reduce exposure to variability in cash flows associated with future purchases of certain materials and commodities. At June 30, 2016 and September 30, 2015, there were no open derivative or hedging instruments for future purchases of raw materials or commodities.

Foreign Currency Risk—A significant portion of Energizer's product cost is more closely tied to the U.S. dollar than to the local currencies in which the product is sold. As such, a weakening of currencies relative to the U.S. dollar results in margin declines unless mitigated through pricing actions, which are not always available due to the economic or competitive environment. Conversely, a strengthening in currencies relative to the U.S. dollar can improve margins. The primary currencies to which Energizer is exposed include the Euro, the British pound, the Canadian dollar and the Australian dollar. However, the Company also has significant exposures in many other currencies which, in the aggregate, may have a material impact on the Company's operations.

Additionally, Energizer's foreign subsidiaries enter into internal and external transactions that create nonfunctional currency balance sheet positions at the foreign subsidiary level. These exposures are generally the result of intercompany purchases, intercompany loans and, to a lesser extent, external purchases, and are revalued in the foreign subsidiary's local currency at the end of each period. Changes in the value of the non-functional currency balance sheet positions in relation to the foreign subsidiary's local currency results in a transaction gain or loss

recorded in Other financing items, net on the Consolidated Statements of Earnings and Comprehensive Income. The primary currency to which Energizer's foreign subsidiaries are exposed is the U.S. dollar.

Interest Rate Risk—Energizer has interest rate risk with respect to interest expense on variable rate debt. At June 30, 2016, Energizer had variable rate debt outstanding with an original principal balance of \$400.0 under the Term Loan. During fiscal year 2015, Energizer entered into an interest rate swap agreement with one major financial institution that fixed the variable benchmark component (LIBOR) on \$200.0 of Energizer's variable rate debt through June 2022 at an interest rate of 2.22%. This hedging instrument is considered a cash flow hedge for accounting purposes. At June 30, 2016 and September 30, 2015, Energizer had an unrecognized pre-tax loss on this interest rate swap agreement of \$10.1 and \$5.2, respectively, included in Accumulated other comprehensive loss on the Consolidated Balance Sheets.

Cash Flow Hedges

The Company has entered into a series of forward currency contracts to hedge the cash flow uncertainty of forecasted inventory purchases due to short term currency fluctuations. Energizer's foreign affiliates, which have the largest exposure to U.S. dollar purchases, have the Euro, the British pound, the Canadian dollar and the Australian dollar as their local currencies. These foreign currencies represent a significant portion of Energizer's foreign currency exposure. At June 30, 2016 and September 30, 2015, Energizer had an unrealized pre-tax loss of \$0.1 and gain of \$4.5, respectively, on these forward currency contracts accounted for as cash flow hedges included in Accumulated other comprehensive loss on the unaudited Condensed Consolidated Balance Sheets. Assuming foreign exchange rates versus the U.S. dollar remain at June 30, 2016 levels, over the next 12 months, \$0.1 of the pre-tax loss included in Accumulated other comprehensive loss is expected to be recognized in earnings. Contract maturities for these hedges extend into fiscal year 2018.

Derivatives not Designated in Hedging Relationships

Energizer enters into foreign currency derivative contracts which are not designated as cash flow hedges for accounting purposes, to hedge existing balance sheet exposures. Any gains or losses on these contracts are expected to be offset by corresponding exchange losses or gains on the underlying exposures; and as such are not subject to significant market risk.

In addition, Edgewell held a share option with a major financial institution to mitigate the impact of changes in certain of Edgewell's unfunded deferred compensation liabilities, which were tied to Edgewell's common stock price. The share option matured in November 2014 and was not subsequently renewed. Prior to the spin, Energizer received an allocation of an appropriate share of the impact of this financial instrument.

The following table provides the Company's estimated fair values as of June 30, 2016 and 2015, and the amounts of gains and losses on derivative instruments classified as cash flow hedges for the quarter and nine months ended June 30, 2016 and 2015, respectively:

Derivatives designated as Cash Flow Hedging Relationships	At June 30, 2016	For the Quarter Ended June 30, 2016		For the Nine Months Ended June 30, 2016	
	Estimated Fair Value, Asset (Liability) (1) (2)	Gain/(Loss) Recognized in OCI (3)	Gain/(Loss) Reclassified From OCI into Income(Effective Portion) (4) (5)	Gain/(Loss) Recognized in OCI (3)	Gain/(Loss) Reclassified From OCI into Income(Effective Portion) (4) (5)
Foreign currency contracts	\$ (0.1)	\$ 2.3	\$ (0.3)	\$ (0.5)	\$ 4.1
Interest rate contracts	\$ (10.1)	\$ (2.7)	\$ (0.7)	\$ (7.1)	\$ (2.2)
Total	\$ (10.2)	\$ (0.4)	\$ (1.0)	\$ (7.6)	\$ 1.9

Derivatives designated as Cash Flow Hedging Relationships	At September 30, 2015	For the Quarter Ended June 30, 2015		For the Nine Months Ended June 30, 2015	
	Estimated Fair Value, Asset (Liability) (1) (2)	Gain/(Loss) Recognized in OCI (3)	Gain/(Loss) Reclassified From OCI into Income(Effective Portion) (4) (5)	Gain/(Loss) Recognized in OCI (3)	Gain/(Loss) Reclassified From OCI into Income(Effective Portion) (4) (5)
Foreign currency contracts	\$ 4.5	\$ (7.9)	\$ 1.4	\$ 5.8	\$ 7.6
Interest rate contracts	\$ (5.2)	\$ —	\$ —	\$ —	\$ —
Total	\$ (0.7)	\$ (7.9)	\$ 1.4	\$ 5.8	\$ 7.6

1. All derivative assets are presented in Other current assets or Other assets.

2. All derivative liabilities are presented in Other current liabilities or Other liabilities.

3. OCI is defined as other comprehensive income.

4. Gain/(loss) reclassified to Income was recorded as follows: Foreign currency contracts in other financing items, net and interest rate contracts in interest expense.

5. Each of these hedging relationships has derivative instruments with a high correlation to the underlying exposure being hedged and has been deemed highly effective in offsetting the underlying risk.

The following table provides estimated fair values as of June 30, 2016 and September 30, 2015 and the gains and losses on derivative instruments not classified as cash flow hedges for the quarter and nine months ended June 30, 2016 and 2015, respectively:

	At June 30, 2016		For the Quarter Ended June 30, 2016		For the Nine Months Ended June 30, 2016	
	Estimated Fair Value Asset (Liability)		Gain/(Loss) Recognized in Income (1)		Gain/(Loss) Recognized in Income (1)	
Foreign currency contracts	\$	(0.1)	\$	0.2	\$	0.4

	At September 30, 2015		For the Quarter Ended June 30, 2015		For the Nine Months Ended June 30, 2015	
	Estimated Fair Value Asset (Liability)		Gain/(Loss) Recognized in Income (1)		Gain/(Loss) Recognized in Income (1)	
Share option (2)	\$	—	\$	(0.1)	\$	0.2
Foreign currency contracts		—		0.4		2.9
Total	\$	—	\$	0.3	\$	3.1

1. Gain/(loss) recognized in Income was recorded as follows: Share option in Selling, general and administrative expense and foreign currency and commodity contracts in Other financing, items, net.

2. Edgewell held a share option with a major financial institution, which matured in November 2014 and was subsequently not renewed.

Energizer has the following recognized financial assets resulting from those transactions that meet the scope of the disclosure requirements as necessitated by applicable accounting guidance for balance sheet offsetting.

Offsetting of derivative assets

Description	Balance Sheet location	At June 30, 2016			At September 30, 2015		
		Gross amounts of recognized assets	Gross amounts offset in the Balance Sheet	Net amounts of assets presented in the Balance Sheet	Gross amounts of recognized assets	Gross amounts offset in the Balance Sheet	Net amounts of assets presented in the Balance Sheet
Foreign Currency Contracts	Other Current Assets, Other Assets	\$ 1.9	\$ (0.4)	\$ 1.5	\$ 4.9	\$ (0.4)	\$ 4.5

Offsetting of derivative liabilities

Description	Balance Sheet location	At June 30, 2016			At September 30, 2015		
		Gross amounts of recognized liabilities	Gross amounts offset in the Balance Sheet	Net amounts of liabilities presented in the Balance Sheet	Gross amounts of recognized liabilities	Gross amounts offset in the Balance Sheet	Net amounts of liabilities presented in the Balance Sheet
Foreign Currency Contracts	Other Current Liabilities, Other Liabilities	\$ (1.9)	\$ 0.2	\$ (1.7)	\$ —	\$ —	\$ —

Fair Value Hierarchy—Accounting guidance on fair value measurements for certain financial assets and liabilities requires that assets and liabilities carried at fair value be classified in one of the following three categories:

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

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

Level 3: Unobservable inputs reflecting the reporting entity's own assumptions or external inputs from inactive markets.

Under the fair value accounting guidance hierarchy, an entity is required to maximize the use of quoted market prices and minimize the use of unobservable inputs. The following table sets forth the Company's financial assets and liabilities, which are carried at fair value, as of June 30, 2016 and September 30, 2015 that are measured on a recurring basis during the period, segregated by level within the fair value hierarchy:

	Level 2	
	June 30, 2016	September 30, 2015
(Liabilities)/Assets at estimated fair value:		
Deferred Compensation	\$ (48.0)	\$ (58.5)
Derivatives - Foreign Currency Contracts	(0.2)	4.5
Derivatives - Interest Rate Swap	(10.1)	(5.2)
Net Liabilities at estimated fair value	<u>\$ (58.3)</u>	<u>\$ (59.2)</u>

Energizer had no Level 1 financial assets or liabilities, other than pension plan assets, and no Level 3 financial assets or liabilities at June 30, 2016 and at September 30, 2015.

Due to the nature of cash and cash equivalents, carrying amounts on the balance sheets approximate estimated fair value. The estimated fair value of cash and cash equivalents has been determined based on Level 2 inputs.

At June 30, 2016, the estimated fair value of the Company's unfunded deferred compensation liability is determined based upon the quoted market prices of investment options that are offered under the plan. The estimated fair value of foreign currency contracts and interest rate swap as described above is the amount that the Company would receive or pay to terminate the contracts, considering first, quoted market prices of comparable agreements, or in the absence of quoted market prices, such factors as interest rates, currency exchange rates and remaining maturities.

At June 30, 2016 and September 30, 2015, the fair market value of fixed rate long-term debt was \$600.0 and \$581.2, respectively compared to its carrying value of \$600.0. The estimated fair value of the long-term debt is estimated using yields obtained from independent pricing sources for similar types of borrowing arrangements. The estimated fair value of fixed rate long-term debt has been determined based on Level 2 inputs.

(15) Accumulated Other Comprehensive (Loss)/Income

The following table presents the changes in accumulated other comprehensive income (AOCI), net of tax by component:

	Foreign Currency Translation Adjustments	Pension Activity	Hedging Activity	Interest Rate Swap	Total
Balance at September 30, 2015	\$ (109.6)	\$ (139.8)	\$ 3.4	\$ (3.3)	\$ (249.3)
OCI before reclassifications	10.1	1.5	(0.3)	(4.4)	6.9
Reclassifications to earnings	—	3.5	(3.1)	1.4	1.8
Balance at June 30, 2016	\$ (99.5)	\$ (134.8)	\$ —	\$ (6.3)	\$ (240.6)

The following table presents the reclassifications out of AOCI:

Details of AOCI Components	For the Quarter Ended June 30,		For the Nine Months Ended June 30,		Affected Line Item in the Combined Statements of Earnings
	2016	2015	2016	2015	
	Amount Reclassified from AOCI (1)		Amount Reclassified from AOCI (1)		
Foreign exchange contracts	\$ (0.3)	\$ 1.4	\$ 4.1	\$ 7.6	Other financing items, net
Interest rate swap	(0.7)	—	(2.2)	—	Interest expense
	(1.0)	1.4	1.9	7.6	Total before tax
	0.3	(0.3)	(0.2)	(2.0)	Tax (expense)/benefit
	<u>\$ (0.7)</u>	<u>\$ 1.1</u>	<u>\$ 1.7</u>	<u>\$ 5.6</u>	Net of tax
Actuarial loss	(1.6)	0.1	(4.8)	0.2	(2)
Settlement loss	(0.1)	0.1	(0.3)	0.1	(2)
	(1.7)	0.2	(5.1)	0.3	Total before tax
	0.5	(0.1)	1.6	(0.1)	Tax (expense)/benefit
	<u>\$ (1.2)</u>	<u>\$ 0.1</u>	<u>\$ (3.5)</u>	<u>\$ 0.2</u>	Net of tax
Venezuela deconsolidation charge	\$ —	\$ —	\$ —	\$ (16.2)	Venezuela deconsolidation charge
Total reclassifications for the period	<u>\$ (1.9)</u>	<u>\$ 1.2</u>	<u>\$ (1.8)</u>	<u>\$ (10.4)</u>	Net of tax

(1) Amounts in parentheses indicate debits to Consolidated Statement of Earnings.

(2) These AOCI components are included in the computation of net periodic benefit cost (see Note 12, Pension Plans, for further details).

(16) Supplemental Financial Statement Information

	June 30, 2016	September 30, 2015
Inventories		
Raw materials and supplies	\$ 28.5	\$ 32.4
Work in process	69.0	73.0
Finished products	134.4	170.5
Total inventories	\$ 231.9	\$ 275.9
Other Current Assets		
Miscellaneous receivables	\$ 27.1	\$ 34.3
Due from Edgewell	2.6	30.4
Prepaid expenses	67.5	53.2
Value added tax collectible from customers	18.9	19.9
Other	2.2	5.6
Total other current assets	\$ 118.3	\$ 143.4
Property, Plant and Equipment		
Land	\$ 9.8	\$ 10.0
Buildings	139.8	162.8
Machinery and equipment	768.8	886.2
Construction in progress	19.2	12.1
Total gross property	937.6	1,071.1
Accumulated depreciation	(740.4)	(865.5)
Total property, plant and equipment, net	\$ 197.2	\$ 205.6
Other Current Liabilities		
Accrued advertising, sales promotion and allowances	\$ 15.8	\$ 29.7
Accrued trade allowances	45.9	41.7
Accrued salaries, vacations and incentive compensation	45.4	39.5
2013 restructuring reserve	1.5	4.0
Spin restructuring reserve	3.0	12.3
Income taxes payable	21.6	43.7
Other	98.8	120.3
Total other current liabilities	\$ 232.0	\$ 291.2
Other Liabilities		
Pensions and other retirement benefits	\$ 114.3	\$ 119.3
Deferred compensation	48.0	58.5
Other non-current liabilities	48.1	50.2
Total other liabilities	\$ 210.4	\$ 228.0

(17) Legal proceedings/contingencies

The Company and its affiliates are subject to a number of legal proceedings in various jurisdictions arising out of its operations. Many of these legal matters are in preliminary stages and involve complex issues of law and fact, and may proceed for protracted periods of time. The amount of liability, if any, from these proceedings cannot be determined with certainty. We are a party to legal proceedings and claims that arise during the ordinary course of business. We review our legal proceedings and claims, regulatory reviews and inspections and other legal proceedings on an ongoing basis and follow appropriate accounting guidance when making accrual and disclosure decisions. We establish accruals for those contingencies where the incurrence of a loss is probable and can be reasonably estimated, and we disclose the amount accrued and the amount of a reasonably possible loss in excess of the amount accrued, if such disclosure is necessary for our financial statements to not be misleading. We do not record liabilities when the likelihood that the liability has been incurred is probable, but the amount cannot be reasonably estimated. Based upon present information, the Company believes that its liability, if any, arising from such pending legal proceedings, asserted legal claims and known potential legal claims which are likely to be asserted, is not reasonably likely to be material to the Company's financial position, results of operations, or cash flows, when taking into account established accruals for estimated liabilities.

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

The following discussion is meant to provide investors with information that management believes helpful in reviewing Energizer's historical-basis results of operations, operating segment results, and liquidity and capital resources. Statements in this Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") that are not historical may be considered forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. You should read the following MD&A in conjunction with the Consolidated Financial Statements (unaudited) and corresponding notes included herein. This MD&A contains forward-looking statements. The matters discussed in these forward-looking statements are subject to risk, uncertainties, and other factors that could cause actual results to differ materially from those projected or implied in the forward-looking statements. Please see "Risk Factors" and "Cautionary Statement Concerning Forward-Looking Statements" in our Annual Report on Form 10-K for the fiscal year ended September 30, 2015 for a discussion of the uncertainties, risks and assumptions associated with these statements.

All amounts discussed are in millions of U.S. dollars, unless otherwise indicated.

Non-GAAP Financial Measures

The Company reports its financial results in accordance with accounting principles generally accepted in the U.S. ("GAAP"). However, management believes that certain non-GAAP financial measures provide users with additional meaningful comparisons to the corresponding historical or future period and assist investors in performing analysis consistent with financial models developed by research analysts. Investors should consider non-GAAP measures in addition to, not as a substitute for, or superior to, the comparable GAAP measures.

We provide the following non-GAAP measures and calculations, as well as the corresponding reconciliation to the closest GAAP measure:

Segment Profit. This amount represents the operations of our four geographic segments including allocations for shared IT and finance functions. General corporate and other expenses, Global marketing expenses, R&D expenses, interest expense and charges related to the spin-off, costs of early debt retirement, restructuring, acquisition and integration have all been excluded from segment profit.

Adjusted Earnings Before Taxes, Adjusted Net Earnings and Adjusted Diluted Earnings Per Share (EPS). These measures exclude the impact of the costs related to the Venezuela deconsolidation, spin-off, restructurings, acquisition and integration, cost of early debt retirement and adjustments to prior year tax accruals.

Organic. This is the non-GAAP financial measurement of the change in revenue, segment profit or other margins that excludes or otherwise adjusts for the impact of our go-to-market initiatives, the change in our Venezuela results from the deconsolidation of those operations, and the impact of currency from the changes in foreign currency exchange rates as defined below:

International Go-to-market initiatives. To compete more effectively as an independent company, we increased our use of exclusive and non-exclusive third-party distributors and wholesalers, and decreased or eliminated our business operations in certain countries, consistent with our international go-to-market strategy. In order to capture the impact of these international go-to-market changes and exits, we have separately identified the impact of these changes, which represents the year over year change in those markets since the date of exit. The impact from these changes was fully realized during the current quarter.

Change in Venezuela Results. As previously announced, we deconsolidated our Venezuelan subsidiaries on March 31, 2015 and began accounting for our investment in our Venezuelan operations using the cost method of accounting. Subsequent to March 31, 2015, our financial results do not include the operating results of our Venezuelan operations. As a result of the deconsolidation, we have taken the year over year change in Venezuela results and separately identified the impact in our change in sales and segment profit.

Impact of currency. The Company evaluates the operating performance of our Company on a currency neutral basis. The impact of currency is the difference between the value of current year foreign operations at the current period ending USD exchange rate, compared to the value of the current year foreign operations at the prior period ending USD exchange rate.

Adjusted Gross Margin and Adjusted Selling, General & Administrative (SG&A) as a percent of sales. Detail for adjusted gross margin and adjusted SG&A as a percent of sales are also supplemental non-GAAP measure disclosures. These measures exclude the impact of costs related to spin-off, restructuring, acquisition and integration.

Forward-Looking Statements

This document contains both historical and forward-looking statements. Forward-looking statements are not based on historical facts but instead reflect our expectations, estimates or projections concerning future results or events, including, without limitation, the future sales, gross margins, costs, earnings, cash flows, tax rates and performance of Energizer. These statements generally can be identified by the use of forward-looking words or phrases such as "believe," "expect," "expectation," "anticipate," "may," "could," "intend," "belief," "estimate," "plan," "target," "predict," "likely," "will," "should," "forecast," "outlook," or other similar words or phrases. These statements are not guarantees of performance and are inherently subject to known and unknown risks, uncertainties and assumptions that are difficult to predict and could cause our actual results to differ materially from those indicated by those statements. We cannot assure you that any of our expectations, estimates or projections will be achieved. The forward-looking statements included in this document are only made as of the date of this document and we disclaim any obligation to publicly update any forward-looking statement to reflect subsequent events or circumstances. Numerous factors could cause our actual results and events to differ materially from those expressed or implied by forward-looking statements, including, without limitation:

- market and economic conditions, including the impact of the United Kingdom's referendum vote and announced intention to exit the European Union at some future date;
- the ability to integrate the HandStands business successfully and to achieve the anticipated cost savings and other synergies;
- the possibility that other anticipated benefits of the HandStands acquisition will not be realized, including without limitation, anticipated revenues, expenses, margins, cash flows, earnings and other financial results, and growth and expansion of our operations;
- market trends in the categories in which we compete;
- the success of new products and the ability to continually develop and market new products;
- our ability to attract, retain and improve distribution with key customers;
- our ability to continue planned advertising and other promotional spending;
- our ability to timely execute strategic initiatives, including restructurings, and international go-to-market changes in a manner that will positively impact our financial condition and results of operations and does not disrupt our business operations;
- the impact of strategic initiatives, including restructurings, on our relationships with employees, customers and vendors;
- our ability to maintain and improve market share in the categories in which we operate despite heightened competitive pressure;
- our ability to improve operations and realize cost savings;
- the impact of foreign currency exchange rates and currency controls, as well as offsetting hedges;
- the impact of raw materials and other commodity costs;
- costs and reputational damage associated with cyber-attacks or information security breaches or other events;
- our ability to acquire and integrate businesses, and to realize the projected results of acquisitions;
- the impact of advertising and product liability claims and other litigation;
- compliance with debt covenants and maintenance of credit ratings as well as the impact of interest and principal repayment of our existing and any future debt; and
- the impact of legislative or regulatory determinations or changes by federal, state and local, and foreign authorities, including taxing authorities.

In addition, other risks and uncertainties not presently known to us or that we consider immaterial could affect the accuracy of any such forward-looking statements. The list of factors above is illustrative, but by no means exhaustive. All forward-looking statements should be evaluated with the understanding of their inherent uncertainty. Additional risks and uncertainties include those detailed from time to time in our publicly filed documents, including those described under the heading "Risk Factors" in our Form 10-K filed with the Securities and Exchange Commission on November 20, 2015.

Acquisition

Subsequent to quarter end, on July 1, 2016, the Company acquired 100% of HandStands Holding Corporation (HandStands), a designer and marketer of automotive fragrance and appearance products, for a total purchase price of \$340.0 plus preliminary working capital adjustments of \$3.6, net of acquired cash, and subject to further working capital adjustments. The Company financed the acquisition with \$300.0 of cash on hand and \$43.6 of borrowings on our senior secured credit facility (Revolving Facility). The Company initially utilized a \$200.0 bridge loan and \$143.6 of borrowings on our Revolving Facility to complete the transaction. In the month of July, the bridge loan and \$100.0 of our Revolving Facility borrowings have subsequently been paid down utilizing cash on hand. The Company did not incur incremental U.S. taxes from utilizing foreign cash for this transaction.

Handstands brands include Refresh Your Car!®, California Scents®, Driven®, Bahama & Co.®, LEXOL® and Eagle One®. The acquisition will allow the Company to expand its portfolio, increase presence at existing customers, and utilize its scale and global supply chain to drive efficiencies. The Company incurred \$4.1 of acquisition related costs in the quarter ended June 30, 2016.

Total acquisition and integration related costs associated with the HandStands acquisition are expected to be in the range of \$30 to \$35. We expect to incur these costs over the next 12 to 15 months. We expect to incur approximately \$17 to \$19 in the fourth fiscal quarter of 2016.

Results for the HandStands business are not included in the current quarter results as the acquisition occurred subsequent to the quarter end on July 1, 2016.

The Separation

Results for the third quarter and the first nine months of fiscal 2015 are based on carve out financial data. Net sales, Gross profit, Advertising & promotion (A&P) and Research & development (R&D) spending are directly attributable to our business. However, certain Selling, general, and administrative expense (SG&A), Interest expense, including the cost of early debt retirement, and Spin-off and Restructuring related charges are allocated from Edgewell and not necessarily representative of Energizer's stand-alone results or expected future results of Energizer as an independent company.

The third quarter and the nine month fiscal 2016 periods are the last periods that will have lack of comparability due to the financial statements being based on carve out financial data for the first nine months of the prior year.

Highlights / Operating Results

Financial Results (in millions, except per share data)

Energizer reported third fiscal quarter net earnings of \$24.2, or \$0.39 per diluted share. This compares to net loss of \$19.6, or a net loss of \$0.32 per diluted share in the prior year third fiscal quarter. Adjusted net earnings per diluted share were \$0.32 for the third fiscal quarter as compared to \$0.64 in the prior year quarter.

Energizer reported net earnings of \$106.1, or \$1.70 per diluted share, for the nine months ended June 30, 2016. This compares to net loss of \$27.1, or a net loss of \$0.44 per diluted share, in the prior year comparative period. Adjusted net earnings per diluted share were \$1.77 for the nine months ended June 30, 2016 as compared to \$2.23 for the nine months ended June 30, 2015.

Net earnings/(loss) for the time periods presented were impacted by certain items related to spin costs, spin restructuring costs, restructuring and realignment costs, acquisition and integration costs, cost of early debt retirement, adjustment to prior year tax accruals and the Venezuela deconsolidation as described in the tables below. The impact of these items on reported net earnings/(loss) are provided below as a reconciliation of net earnings/(loss) to adjusted net earnings, which are non-GAAP measures. See disclosure on non-GAAP measures above.

For the Quarters Ended June 30,

(in millions, except per share data)	Earnings/(Loss) Before Income Taxes		Net Earnings/(Loss)		Diluted EPS	
	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$
Reported - GAAP	23.7	(40.5)	24.2	(19.6)	0.39	(0.32)
<i>Impacts: Expense (Income)</i>						
Spin costs (1)	1.9	37.8	1.3	25.0	0.02	0.40
Spin restructuring	0.9	11.7	0.7	7.9	0.01	0.13
Restructuring (2)	0.1	19.4	0.1	12.4	—	0.20
Acquisition and integration costs (3)	4.1	0.4	2.6	0.3	0.04	—
Cost of early debt retirement (4)	—	26.7	—	16.7	—	0.27
Adjustments to prior year tax accruals	—	—	(8.8)	(2.6)	(0.14)	(0.04)
Adjusted - Non-GAAP (5)	\$ 30.7	\$ 55.5	\$ 20.1	\$ 40.1	\$ 0.32	\$ 0.64
Weighted average shares - Diluted (6)					62.7	62.2

For the Nine Months Ended June 30,

(in millions, except per share data)	Earnings/(Loss) Before Income Taxes		Net Earnings/(Loss)		Diluted EPS	
	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$
Reported - GAAP	139.2	(30.8)	106.1	(27.1)	1.70	(0.44)
<i>Impacts: Expense (Income)</i>						
Venezuela deconsolidation	—	65.2	—	65.2	—	1.05
Spin costs (1)	10.6	82.9	7.0	54.8	0.11	0.88
Spin restructuring	1.0	36.0	0.9	24.2	0.01	0.39
Restructuring (2)	4.9	10.2	3.1	6.6	0.05	0.11
Acquisition and integration costs (3)	4.1	1.3	2.6	1.0	0.04	0.01
Cost of early debt retirement (4)	—	26.7	—	16.7	—	0.27
Adjustments to prior year tax accruals	—	—	(8.8)	(2.6)	(0.14)	(0.04)
Adjusted - Non-GAAP (5)	\$ 159.8	\$ 191.5	\$ 110.9	\$ 138.8	\$ 1.77	\$ 2.23
Weighted average shares - Diluted (6)					62.5	62.2

(1) The quarter and nine months ended June 30, 2016 included income of \$0.1 and charges of \$0.4 in cost of products sold (COGS), respectively. All remaining spin costs were included in SG&A in the unaudited Consolidated Condensed Statements of Earnings and Comprehensive Income.

(2) Includes pre-tax costs of \$0.1 and \$2.4 for the quarter ended and nine months ended June 30, 2016 of accelerated depreciation related to the streamlining of a plant in North America included in COGS. Includes \$1.1 for both the quarter and nine months ended June 30, 2015 for inventory obsolescence recorded in COGS and \$0.2 and \$0.3 for the quarter and nine months ended June 30, 2015, associated with certain information technology and related activities, which are included in SG&A on the unaudited Consolidated Condensed Statements of Earnings and Comprehensive Income.

(3) Included in SG&A expense on the unaudited Consolidated Condensed Statements of Earnings and Comprehensive Income.

(4) Included in interest expense on the unaudited Consolidated Condensed Statements of Earnings and Comprehensive Income.

(5) The effective tax rate for the three and nine months ended June 30, 2016 for the Adjusted - Non-GAAP Net Earnings and Diluted EPS was 34.5% and 30.6%, respectively, as calculated utilizing the statutory rate for where the costs were incurred.

(6) For the quarter and nine months ended June 30, 2015, diluted EPS and the average number of common shares outstanding were retrospectively restated for the number of Energizer Holdings, Inc. shares outstanding immediately following the spin-off.

Highlights

Total Net Sales (In millions - Unaudited) Quarter and Nine Months Ended June 30, 2016

Total Net Sales	Q3	% Chg	Nine Months	% Chg
Net sales - FY '15	\$ 374.3		\$ 1,232.5	
Organic	4.5	1.2 %	53.8	4.4 %
International Go-to-Market	(5.2)	(1.4)%	(14.7)	(1.2)%
Change in Venezuela results	—	— %	(8.5)	(0.7)%
Impact of currency	(12.6)	(3.4)%	(61.3)	(5.0)%
Net sales - FY '16	\$ 361.0	(3.6)%	\$ 1,201.8	(2.5)%

See non-GAAP measure disclosures above.

Net sales were \$361.0 for the third quarter of 2016, a decrease of 3.6% as compared to the prior year quarter. Organic net sales increased 1.2% due primarily to the net impact of distribution and space gains in North America and distribution gains and pricing actions in Latin America. These items were partially offset by the anticipated reduction in retail inventory levels and continued heightened competitive activity in certain Asia Developed markets.

Offsetting some of the organic net sales increase was unfavorable currency impacts of \$12.6, or 3.4% and the unfavorable impact of international go-to-market changes, including the exits and shifts to distributors in certain markets, resulting in a decline of \$5.2, or 1.4%.

Net sales for the nine months ended June 30, 2016 were \$1,201.8, a decrease of 2.5% as compared to the prior year comparative period. Organic net sales increased \$53.8, or 4.4%, reflecting net distribution and space gains in North America, EMEA and Latin America. These gains were partially offset by the continued heightened competitive activity in certain Asia developed markets.

The increase in organic net sales was offset by unfavorable currency impacts of \$61.3, or 5.0%, international go-to-market changes, including the exits from certain markets and shifts to distributors, resulting in a decline of \$14.7, or 1.2%, and the change in Venezuela results, due to the previously announced deconsolidation, resulted in a decline of \$8.5, or 0.7%.

Gross margin percentage for the third fiscal quarter of 2016 was 42.6%, down 300 basis points, driven in part by a 150 basis points impact from unfavorable foreign currency. Excluding the impact from currency movements, gross margin percentage declined 150 basis points driven by increased costs in the quarter as a result of costs related to a planned discrete productivity initiative (\$5.0 or 130 basis points) in one of our manufacturing facilities and

increased costs in support of innovation launched across our portfolios partially offset by favorable commodity costs and other productivity savings.

Gross margin percentage for the nine months ended June 30, 2016 declined 280 basis points. The decline was primarily driven by a 220 basis points impact from unfavorable foreign currency, a 10 basis points impact from spin and restructuring charges and a 20 basis points impact due to the deconsolidation of Venezuela. Excluding the impact of these items, gross margin percentage declined by 30 basis points due to accelerated as well as planned discrete productivity initiatives and increased costs in support of innovation launched across our portfolios partially offset by lower commodity and other productivity savings.

Advertising and sales promotion expense (A&P) was \$22.8 in the third fiscal quarter of 2016, or 6.3% of net sales as compared to \$35.1, or 9.4% of net sales in the prior period. A&P investment as a percent of sales decreased 310 basis points compared to the prior year due to higher prior year spending related to the EcoAdvanced product launch and the timing of current year advertising and promotional activities.

A&P expense was \$71.0 for the nine months ended June 30, 2016, or 5.9% of net sales as compared to \$99.0, or 8.0% of net sales in the prior year comparative period. A&P investment as a percent of sales decreased 210 basis points compared to the prior year due to higher prior year spending related to the EcoAdvanced product launch and the timing of current year advertising and promotional activities.

Selling, general, and administrative expense (SG&A) was \$87.0 in the third fiscal quarter of 2016, or 24.1% of net sales, as compared to \$108.2, or 28.9% of net sales, in the prior period. Included in the third fiscal quarter results were pre-tax costs of \$4.1 related to acquisition and integration costs and \$2.0 related to the spin transaction. Included in the prior year quarter results were pre-tax costs of \$37.8 related to the spin transaction, \$0.4 of integration and \$0.2 related to information technology enablement costs (which were considered part of the overall 2013 restructuring project). Excluding the impact of these charges, SG&A as a percent of net sales was unfavorable by 380 basis points compared to the prior year reflecting the impact of a low prior year comparative (based on carve out financial data), incremental investment spending and higher compensation related costs incurred in the current year.

SG&A was \$254.1 for the nine months ended June 30, 2016, or 21.1% of net sales, as compared to \$322.5, or 26.2% of net sales, in the prior year comparative period. Included in the current nine month results were pre-tax costs of \$4.1 related to acquisition and integration costs and \$10.2 related to the spin transaction. Included in the prior year quarter results were pre-tax costs of \$82.9 related to the spin transaction, \$1.3 of integration and \$0.3 related to information technology enablement costs (which were considered part of the overall 2013 restructuring project). Excluding the impact of these charges, SG&A as a percent of net sales was unfavorable by 70 basis points driven primarily by higher compensation related costs and incremental investment spending partially offset by the impact of effective cost management and lower overall pension costs as compared to our allocated costs from carve out methodology used in the prior year nine months.

Research and Development (R&D) was essentially flat at \$6.6, or 1.8% of net sales, for the quarter ended June 30, 2016, as compared to \$6.5, or 1.7% of net sales, in the prior year comparative period, and \$19.1, or 1.6% of net sales for the nine months ended June 30, 2016, as compared to \$19.1, or 1.5% of net sales, in the prior year comparative period.

Interest expense was \$13.1 for the third fiscal quarter of 2016 and \$37.5 for the prior year comparative period. Interest expense was \$39.1 for the nine months ended June 30, 2016 and \$65.2 for the prior year comparative period. The current period expense is related to the outstanding term loan and bonds at June 30, 2016 and includes the impact of the interest rate swap during the period. The prior year period was based on an allocation from Edgewell using a carve-out methodology and is inclusive of debt breakage fees of \$26.7, which were allocated to Energizer as a result of the April notice of prepayment to the holders of Edgewell's outstanding notes.

Other financing income, net was \$0.4 for the third fiscal quarter of 2016 and \$5.8 for the prior year comparative period. The third fiscal quarter activity reflects the net impact of interest income and hedge contract gains offset by revaluation losses on nonfunctional currency balance sheet exposures. The prior fiscal quarter activity reflects the net impact of hedging contract gains, interest income and revaluation gains on nonfunctional currency balance sheet exposures.

Other financing income, net was \$0.9 for the nine months ended June 30, 2016 and \$11.9 for the prior year comparative period. The current year nine month income reflects the net impact of hedging contract gains and interest income partially offset by revaluation losses on nonfunctional currency balance sheet exposures and an impairment charge on an available for sale security of \$2.0. The prior year nine month income reflects the net impact of hedging contract gains, interest income and revaluation gains on nonfunctional currency balance sheet exposures.

The year-to-date effective tax rate was 23.8% as compared to 12.0% for the prior year comparative period. The current year rate reflects the favorable impacts of certain return to provision adjustments related to prior year provision estimates and certain spin related adjustments of approximately \$9. These favorable adjustments are included in the current quarter's results and were the primary driver of the \$0.5 tax benefit. Excluding the impact of all of our Non-GAAP adjustments, the effective tax rate on a year to date basis was 30.6%.

The prior year rate was a 12.0% benefit as a result of a year-to-date pre-tax loss in high tax rate jurisdictions driven by spin costs and interest payment as a result of the early debt retirement. This benefit was partially offset by the Venezuela deconsolidation charge taken in the prior year, which had no accompanying tax benefit.

Spin Costs

The Company incurred costs associated with the evaluation, planning and execution of the spin transaction. During the quarter ended June 30, 2016, the Company incurred \$2.8 in spin costs including \$2.0 recorded in SG&A and \$0.9 recorded in spin restructuring slightly offset by income of \$0.1 recorded in cost of products sold (COGS). For the nine months ended June 30, 2016, the Company incurred \$11.6 in spin costs including \$10.2 recorded in SG&A, \$0.4 recorded in COGS and \$1.0 recorded in spin restructuring.

For the quarter ended June 30, 2015, the Company was allocated spin costs of \$76.2 from Edgewell of which \$37.8 was recorded in SG&A, \$11.7 was recorded in spin restructuring, and \$26.7 of cost of early debt retirement recorded in interest expense. For the nine months ended June 30, 2015, the Company was allocated spin costs of \$145.6 from Edgewell of which \$82.9 was recorded in SG&A and \$36.0 was recorded in spin restructuring, and \$26.7 of cost of early debt retirement recorded in interest expense.

On a project to date basis, the total costs incurred and allocated to Energizer for the spin-off were \$196.8, inclusive of the costs of early debt retirement recorded in fiscal 2015. Energizer expects the remaining spin costs to be immaterial.

Restructuring

In November 2012, Edgewell's Board of Directors authorized an enterprise-wide restructuring plan and delegated authority to management to determine the final actions with respect to this plan (2013 restructuring project). This initiative impacted Edgewell's Household Products and Personal Care businesses. In January 2014, Edgewell's Board of Directors authorized an expansion of scope of the previously announced 2013 restructuring project.

For the quarter ended June 30, 2016, Energizer recorded no pre-tax charges related to the 2013 restructuring project. For the quarter ended June 30, 2015, Energizer recorded a pre-tax charge of \$18.1. Restructuring charges were reflected on a separate line in the unaudited Consolidated Condensed Statements of Earnings and Comprehensive Income. In addition, pretax costs of \$0.2 associated with information technology enablement activities were recorded within SG&A and \$1.1 associated with inventory obsolescence charges related to our restructuring program were recorded in COGS on the unaudited Consolidated Condensed Statements of Earnings and Comprehensive Income for the quarter ended June 30, 2015. These information technology costs are considered part of the total project costs incurred for the 2013 restructuring project.

For the nine months ended June 30, 2016, Energizer recorded pre-tax charges of \$2.5, related to the 2013 restructuring project compared to a pre-tax restructuring charge of \$8.8 for the nine months ended June 30, 2015. In addition, pretax costs of \$0.3 associated with information technology enablement activities were recorded within SG&A and \$1.1 associated with inventory obsolescence charges related to our restructuring program were recorded in COGS on the unaudited Consolidated Condensed Statements of Earnings and Comprehensive Income for the nine months ended June 30, 2015.

Total pre-tax restructuring charges since the inception of the project and through June 30, 2016, have totaled

approximately \$200. We expect the remaining costs, if any, to be immaterial.

Energizer estimates that total savings for the project exceeded \$218. The primary impacts of savings from the project were reflected in improved gross margin and lower overhead expenses. Savings related to the 2013 restructuring project were fully realized as of June 30, 2015.

The Company is also streamlining certain manufacturing operations. During the quarter and the nine months ended June 30, 2016, the Company recorded \$0.1 and \$2.4, respectively, of accelerated depreciation in cost of products sold on the unaudited Consolidated Condensed Statements of Earnings and Comprehensive Income related to the streamlining of a plant in North America. The streamlining of this plant is expected to be completed in fiscal 2016 and the overall charges are not expected to be material to the consolidated operations.

Segment Results

Operations for Energizer are managed via four geographic segments – North America (U.S. and Canada), Latin America, Europe, Middle East and Africa (EMEA) and Asia Pacific. Segment performance is evaluated based on segment operating profit, exclusive of general corporate expenses, share-based compensation costs, costs associated with most restructuring initiatives, business realignment activities, R&D, and other items determined to be corporate in nature. Financial items, such as interest income and expense, are managed on a global basis at the corporate level. The exclusion of substantially all restructuring and realignment costs from segment results reflects management's view on how it evaluates segment performance.

Energizer's operating model includes a combination of standalone and shared business functions between the geographic segments, varying by country and region of the world. Shared functions include IT and finance shared service costs. Energizer applies a fully allocated cost basis, in which shared business functions are allocated between the segments. Such allocations are estimates, and do not represent the costs of such services if performed on a standalone basis. This structure is the basis for Energizer's reportable operating segment information, as included in the tables in Note 9, Segments, to the unaudited Consolidated Condensed Financial Statements for the three months ended June 30, 2016.

Segment sales and profitability analysis for the quarter and nine months ended June 30, 2016 are presented below.

Net Sales (In millions)
Quarter and Nine Months Ended June 30, 2016

	Quarter Ended June 30, 2016		Nine Months Ended June 30, 2016	
	\$ Change	% Chg	\$ Change	% Chg
North America				
Net sales - FY '15	\$ 184.9		\$ 605.9	
Organic	3.8	2.1 %	35.5	5.9 %
Impact of currency	(0.7)	(0.4)%	(5.4)	(0.9)%
Net Sales - FY '16	\$ 188.0	1.7 %	\$ 636.0	5.0 %
Latin America				
Net sales - FY '15	\$ 27.8		\$ 99.9	
Organic	5.0	18.0 %	13.6	13.6 %
International Go-to-Market	(1.7)	(6.1)%	(2.0)	(2.0)%
Change in Venezuela results	—	— %	(8.5)	(8.5)%
Impact of currency	(5.2)	(18.7)%	(16.5)	(16.5)%
Net Sales - FY '16	\$ 25.9	(6.8)%	\$ 86.5	(13.4)%
EMEA				
Net sales - FY '15	\$ 82.3		\$ 287.4	
Organic	(0.7)	(0.9)%	11.8	4.1 %
International Go-to-Market	(0.2)	(0.2)%	(3.5)	(1.2)%
Impact of currency	(4.2)	(5.1)%	(24.3)	(8.5)%
Net Sales - FY '16	\$ 77.2	(6.2)%	\$ 271.4	(5.6)%
Asia Pacific				
Net sales - FY '15	\$ 79.3		\$ 239.3	
Organic	(3.6)	(4.5)%	(7.1)	(3.0)%
International Go-to-Market	(3.3)	(4.2)%	(9.2)	(3.8)%
Impact of currency	(2.5)	(3.2)%	(15.1)	(6.3)%
Net Sales - FY '16	\$ 69.9	(11.9)%	\$ 207.9	(13.1)%
Total Net Sales				
Net sales - FY '15	\$ 374.3		\$ 1,232.5	
Organic	4.5	1.2 %	53.8	4.4 %
International Go-to-Market	(5.2)	(1.4)%	(14.7)	(1.2)%
Change in Venezuela results	—	— %	(8.5)	(0.7)%
Impact of currency	(12.6)	(3.4)%	(61.3)	(5.0)%
Net Sales - FY '16	\$ 361.0	(3.6)%	\$ 1,201.8	(2.5)%

Results for the Quarter Ended June 30, 2016

North America reported net sales increased 1.7% negatively impacted by foreign currency of \$0.7, or 0.4%. Organic sales growth of 2.1% was primarily driven by net distribution and shelf space gains, partially offset by the anticipated retail inventory de-load.

Latin America reported net sales declined 6.8% negatively impacted by foreign currency of \$5.2 or 18.7% Organic net sales increased 18.0% driven by pricing actions across multiple markets, timing of shipments in distributor markets, and new distribution gains.

EMEA reported net sales declined 6.2%, negatively impacted by foreign currency (5.1%) and the go-to-market changes (0.2%). Organic net sales decreased by 0.9%, consistent with recent category value performance.

Asia Pacific reported net sales declined 11.9%, negatively impacted by foreign currency (3.2%) and the go-to-market changes (4.2%). Organic net sales decreased 4.5% due primarily to heightened competitive activity in select Asia developed markets. We expect the competitive environment in these markets to remain elevated through the balance of the year due to increased private label activity driven by certain discount retailers.

Results for the Nine Months Ended June 30, 2016

North America reported net sales improved 5.0%, negatively impacted by foreign currency of \$5.4, or 0.9%. Organic sales growth of 5.9% was driven by net distribution and shelf space gains, the timing of shipments, increased winter storm volume and benefits of improved product mix partially offset by the prior year launch of EcoAdvanced.

Latin America reported net sales declined 13.4% negatively impacted by foreign currency (16.5%) and the deconsolidation of Venezuela (8.5%). Organic net sales increased 13.6% driven by positive volume contributions and pricing actions across multiple markets, timing of shipments in distributor markets and distribution gains.

EMEA reported net sales declined 5.6%, negatively impacted by foreign currency (8.5%) and the go-to-market changes (1.2%). Organic net sales increased by 4.1% driven by positive volume contribution from distribution gains in certain Western and Eastern European markets, the continued launch of EcoAdvanced in additional markets and price increases in select markets.

Asia Pacific reported net sales declined 13.1%, negatively impacted by foreign currency (6.3%) and the go-to-market changes (3.8%). Organic net sales decreased 3.0% driven by heightened competitive activity in certain Asia developed markets slightly offset by distribution gains and positive volume contributions from expanded holiday activity.

Segment Profit (In millions)
Quarter and Nine Months Ended June 30, 2016

	Quarter Ended June 30, 2016		Nine Months Ended June 30, 2016	
	\$ Change	% Chg	\$ Change	% Chg
North America				
Segment Profit - FY '15	\$ 46.4		\$ 163.1	
Organic	—	— %	18.5	11.3 %
Impact of currency	(0.4)	(0.9)%	(3.7)	(2.2)%
Segment Profit - FY '16	\$ 46.0	(0.9)%	\$ 177.9	9.1 %
Latin America				
Segment Profit - FY '15	\$ 6.8		\$ 16.8	
Organic	(0.5)	(7.4)%	9.4	56.0 %
International Go-to-Market	(0.1)	(1.5)%	2.5	14.9 %
Change in Venezuela results	—	— %	(2.5)	(14.9)%
Impact of currency	(3.1)	(45.5)%	(10.6)	(63.1)%
Segment Profit - FY '16	\$ 3.1	(54.4)%	\$ 15.6	(7.1)%
EMEA				
Segment Profit - FY '15	\$ 8.8		\$ 52.8	
Organic	3.2	36.4 %	5.6	10.6 %
International Go-to-Market	0.2	2.3 %	(1.0)	(1.9)%
Impact of currency	(3.3)	(37.6)%	(17.3)	(32.8)%
Segment Profit - FY '16	\$ 8.9	1.1 %	\$ 40.1	(24.1)%
Asia Pacific				
Segment Profit - FY '15	\$ 20.7		\$ 63.8	
Organic	(1.0)	(4.8)%	(1.7)	(2.7)%
International Go-to-Market	(1.0)	(4.8)%	0.2	0.3 %
Impact of currency	(1.9)	(9.2)%	(11.5)	(18.0)%
Segment Profit - FY '16	\$ 16.8	(18.8)%	\$ 50.8	(20.4)%
Total Segment Profit				
Segment Profit - FY '15	\$ 82.7		\$ 296.5	
Organic	1.7	2.1 %	31.8	10.7 %
International Go-to-Market	(0.9)	(1.1)%	1.7	0.6 %
Change in Venezuela results	—	— %	(2.5)	(0.8)%
Impact of currency	(8.7)	(10.6)%	(43.1)	(14.6)%
Segment Profit - FY '16	\$ 74.8	(9.6)%	\$ 284.4	(4.1)%

Refer to Note 9, Segments, in the unaudited Condensed Consolidated Financial Statements for a reconciliation from segment profit to earnings before income taxes.

Results for the Quarter Ended June 30, 2016

Global reported segment profit declined \$7.9 negatively impacted by foreign currency (\$8.7). Organic segment profit increased by \$1.7 driven by the organic net sales growth, lower A&P spending due to the prior year EcoAdvanced product launch and the timing of current year advertising and promotional activities and favorable commodity and other products costs. These increases were slightly offset by higher costs in the quarter associated

with investments in product improvements and planned productivity initiatives as well as higher SG&A driven by incremental investment spending and higher compensation related costs in the current year.

North America reported segment profit declined \$0.4 in the quarter including \$0.4 of unfavorable currency. Organic segment profit was flat versus the prior year as increased organic sales and a reduction in A&P spending (due to lapping higher prior year spending associated with the launch of EcoAdvanced) was offset by increased costs related to product improvements and productivity initiatives impacting gross margin.

Latin America reported segment profit declined \$3.7 negatively impacted by foreign currency (\$3.1). Organic segment profit decreased by \$0.5. The organic profit decrease was driven by higher overhead due to inflation and timing of spending, partially offset by organic sales growth in the quarter.

EMEA reported segment profit increased \$0.1 inclusive of an unfavorable impact from foreign currency (\$3.3). Organic segment profit increased by \$3.2 driven by a reduction in A&P and overhead spending.

Asia Pacific reported segment profit decreased \$3.9 driven in part by the negative impact of foreign currency (\$1.9). Organic segment profit declined by \$1.0 due primarily to heightened competitive activity in certain Asia developed markets partially offset by lower spending.

Results for the Nine Months Ended June 30, 2016

Global reported segment profit declined \$12.1 negatively impacted by foreign currency (\$43.1) and the deconsolidation of Venezuela (\$2.5). The decline was partially offset by organic growth of \$31.8 driven by top-line organic net sales growth, lower A&P due to higher prior year spending related to the EcoAdvanced product launch and the timing of current year advertising and promotional activities. These items were partially offset by a decline in gross margin due to accelerated as well as planned productivity initiatives and investments made during the second and third quarters of 2016 slightly offset by lower commodity and other productivity savings.

North America reported segment profit improved \$14.8 reflecting organic growth of \$18.5 driven by strong top-line performance, favorable commodity costs and lower A&P spend due to the prior year launch of EcoAdvanced. These items were partially offset by higher costs in the second and third quarters due to accelerated as well as planned product improvements and investments in productivity initiatives, which decreased gross margin.

Latin America reported segment profit declined \$1.2 negatively impacted by foreign currency of \$10.6. Organic growth of \$9.4 was driven by an improvement in organic sales driven by positive volume contributions and pricing actions across multiple markets, timing of shipments in distributor markets and distribution gains, which were partially offset by higher overhead spending due primarily to inflationary increases.

EMEA reported segment profit declined \$12.7 negatively impacted by foreign currency (\$17.3). Organic segment profit increased by \$5.6 due to organic sales growth driven by positive volume contribution from distribution gains, the continued launch of EcoAdvanced in additional select markets and price increases in select markets. In addition to the organic sales growth, there was a reduction in A&P and overhead spending.

Asia Pacific reported segment profit decreased \$13.0 driven in part by the negative impact of foreign currency (\$11.5). The impact of International go-to-market changes was modestly accretive. Organic segment profit declined by \$1.7 primarily driven by heightened competitive activity in certain Asia developed markets partially offset by lower A&P and overhead spending.

General Corporate and Global Marketing Expenses

	Quarter Ended June 30,		For the Nine Months Ended June 30,	
	2016	2015	2016	2015
General corporate and other expenses	\$ 19.7	\$ 9.8	\$ 56.9	\$ 43.0
Global marketing expense	5.1	5.9	10.4	16.3
General corporate and global marketing expense	\$ 24.8	\$ 15.7	\$ 67.3	\$ 59.3
% of Net Sales	6.9%	4.2%	5.6%	4.8%

For the quarter ended June 30, 2016, general corporate expenses were \$19.7, an increase of \$9.9 as compared to the prior year comparative period due primarily to higher compensation related costs as compared to our allocated costs from carve out methodology used in the prior year quarter. For the nine months ended June 30, 2016, general corporate expenses were \$56.9, an increase of \$13.9 as compared to the prior year comparative period due primarily to higher stock compensation costs partially offset by lower overall pension costs as compared to our allocated costs from carve out methodology used in the prior year quarter.

For the quarter and nine months ended June 30, 2016, global marketing expenses were \$5.1 and \$10.4, respectively, compared to \$5.9 and \$16.3 in the prior comparative periods. The current year expense represents center led approach to managing global marketing activities, which support our brands. The prior year period was based on an allocation from Edgewell using a carve-out methodology.

Liquidity and Capital Resources

Energizer's primary future cash needs will be centered on operating activities, working capital and strategic investments. We believe that our future cash from operations, together with our access to capital markets, will provide adequate resources to fund our operating and financing needs. Our access to, and the availability of, financing on acceptable terms in the future will be affected by many factors, including: (i) our credit rating, (ii) the liquidity of the overall capital markets and (iii) the current state of the economy. Moreover, to preserve the tax-free treatment of the separation, Energizer may not be able to engage in certain strategic or capital-raising transactions following the separation, such as issuing equity securities beyond certain thresholds, which may limit Energizer's access to capital markets, or making acquisitions using its equity as currency, potentially requiring Energizer to issue more debt than would otherwise be optimal. There can be no assurances that we will continue to have access to capital markets on terms acceptable to us. See "Risk Factors" section of our Annual Report on Form 10-K for the year ended September 30, 2015 filed with the Securities and Exchange Commission on November 20, 2015.

Cash is managed centrally with net earnings reinvested locally and working capital requirements met from existing liquid funds. At June 30, 2016, Energizer had \$567.1 of cash and cash equivalents, over 95% of which was outside of the U.S. Given our extensive international operations, a significant portion of our cash is denominated in foreign currencies. We manage our worldwide cash requirements by reviewing available funds among the many subsidiaries through which we conduct our business and the cost effectiveness with which those funds can be accessed. The repatriation of cash balances from certain of our subsidiaries could have adverse tax consequences or be subject to regulatory capital requirements; however, those balances are generally available without legal restrictions to fund ordinary business operations.

Subsequent to quarter end, on July 1, 2016, the Company acquired 100% of HandStands, a designer and marketer of automotive fragrance and appearance products, for a total purchase price of \$340.0 plus preliminary working capital adjustments of \$3.6, net of acquired cash, and subject to further working capital adjustments. The Company financed the acquisition with \$300.0 of cash on hand and \$43.6 of borrowings on our senior secured credit facility (Revolving Facility). The Company initially utilized a \$200.0 bridge loan and \$143.6 of borrowings on our Revolving Facility to complete the transaction. In the month of July, the bridge loan and \$100.0 of our Revolving Facility borrowings have subsequently been paid down utilizing cash on hand.

On June 1, 2015, the Company entered into a credit agreement which provides for a five-year \$250.0 senior secured revolving credit facility (Revolving Facility) and a seven-year \$400.0 senior secured term loan B facility (Term Loan) that became effective on June 30, 2015. Also on June 1, 2015, Energizer completed the issuance and sale of \$600.0 of 5.50% Senior Notes due 2025 (Senior Notes), with proceeds placed in escrow and released June

30, 2015. The proceeds from the Term Loan and Senior Notes were transferred to Edgewell on June 30, 2015 in exchange for the contribution of certain assets by Edgewell to the Company in connection with the separation.

Borrowings under the Revolving Facility will bear interest at LIBOR, or the Base Rate (as defined) plus the applicable margin based on total Company leverage. As of June 30, 2016, the Company did not have outstanding borrowings under the Revolving Facility and had \$6.4 of outstanding letters of credit. Taking into account outstanding letters of credit, \$243.6 remains available as of June 30, 2016.

Subsequent to the quarter, on July 8, 2016, the Company entered into an amendment to the existing credit agreement to increase the Revolving Facility to \$350.0. This additional capacity is expected to be utilized for working capital and other general corporate purposes.

Operating Activities

Cash flow from operating activities was \$141.9 in the nine months ended June 30, 2016, as compared to \$102.9 in the prior year comparative period. This change of \$39.0 was the result of higher net earnings as well as the benefit of lower inventory levels for the first nine months of fiscal 2016 driven by increased sales volume and the benefits of initiatives that reduced days in inventory. These increases were partially offset by the decrease in accruals, primarily related to the payment of spin related costs and accrued A&P expenses.

Investing Activities

Net cash used by investing activities was \$16.3 and \$29.5 in nine months ended June 30, 2016 and 2015, respectively, and consisted of the following:

- Capital expenditures of \$17.8 and \$31.1 in the nine months ended June 30, 2016 and 2015, respectively. Capital expenditures in the first nine months of 2016 were primarily for productivity initiatives and information technology projects. Capital expenditures in the prior year were primarily due to information technology spending associated with the separation. These capital expenditures were funded by cash flow from operations;
- Proceeds from the sale of assets of \$1.5 and \$13.7 in the current and prior year, respectively. Proceeds in the current year resulted primarily from two land sales; and
- The acquisition of a battery manufacturing facility in China for approximately \$12.1, primarily related to the purchase of fixed assets, was completed in the first fiscal quarter of 2015.

Investing cash outflows of approximately \$30 to \$35 are anticipated for the full fiscal year 2016 with a large percentage of the disbursements for capital expenditures relating to maintenance, information technology initiatives, product development and cost reduction initiatives. Total capital expenditures are expected to be financed with funds generated from operations.

Financing Activities

Net cash used by financing activities was \$68.6 for the nine months ended June 30, 2016 as compared to \$79.7 in the prior fiscal year comparative period. For nine months ended June 30, 2016, cash flow from financing activities consists of the following:

- Net increase in debt with original maturities of 90 days or less of \$4.9, related to notes payable in our international businesses;
- Dividends paid of \$46.4 (see below);
- Common stock repurchases of \$21.8 representing 600,000 shares at an average price of \$36.27 per share (see below);
- Taxes paid for withheld share-based payments of \$4.1; and
- Excess tax benefits from share-based payments of \$0.8.

For the nine months ended June 30, 2015, Net transfers to Parent and affiliates represents the cash flow impact of Energizer's net dividend to Edgewell.

Dividends

On November 16, 2015, the Board of Directors declared a dividend for the first quarter of fiscal 2016 of \$0.25 per share of common stock. The dividend was paid on December 16, 2015 to shareholders on record as of November 30, 2015 and totaled \$15.4.

On February 1, 2016, the Board of Directors declared a dividend for the second quarter of fiscal 2016 of \$0.25 per share of Common Stock. The dividend was paid on March 16, 2016, to shareholders on record as of February 19, 2016 and totaled \$15.5.

On May 10, 2016, the Board of Directors declared a dividend for the third quarter of fiscal 2016 of \$0.25 per share of common stock. The dividend was paid on March 16, 2016 to shareholders of record as of February 19, 2016, and totaled \$15.5.

Subsequent to the quarter on August 1, 2016, the Board of Directors declared a dividend for the fourth quarter of fiscal 2016 of \$0.25 per share of common stock, which will be paid on September 9, 2016 to shareholders of record as of August 19, 2016.

In addition, the Board of Directors announced their intention to increase the Company's regular quarterly dividend to \$0.275 per share of Common Stock beginning in fiscal year 2017. Future declarations of dividends are subject to Board approval and may be adjusted at the discretion of the Board, as business needs or market conditions change.

Share Repurchases

In July 2015, the Company's Board of Directors approved an authorization for the Company to acquire up to 7.5 million shares of its common stock. Future share repurchase, if any, will be determined by the Company based on its evaluation of the market conditions, capital allocation objectives, legal and regulatory requirements and other factors.

During the nine months ended June 30, 2016, the Company repurchased 600,000 shares for \$21.8, at an average price of \$36.27 per share, under this authorization. All shares were repurchased during the first quarter of fiscal year 2016.

Other Matters

Environmental Matters

Accrued environmental costs at June 30, 2016 were \$4.7. It is difficult to quantify with certainty the cost of environmental matters, particularly remediation and future capital expenditures for environmental control equipment. Total environmental capital expenditures and operating expenses are not expected to have a material effect on our total capital and operating expenditures, earnings or competitive position. However, current environmental spending estimates could be modified as a result of changes in our plans or our understanding of underlying facts, changes in legal requirements, including any requirements related to global climate change, or other factors.

Contractual Obligations

A summary of Energizer's significant contractual obligations at June 30, 2016 is shown below:

	Total	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
Long-term debt, including current maturities	\$ 997.0	\$ 4.0	\$ 8.0	\$ 8.0	\$ 977.0
Interest on long-term debt (1)	378.3	46.0	92.0	92.0	148.3
Notes Payable	9.3	9.3	—	—	—
Operating leases	84.1	4.6	33.7	23.8	22.0
Pension plans (2)	2.0	2.0	—	—	—
Purchase obligations and other (3)	17.7	5.2	10.8	1.7	—
Total	\$ 1,488.4	\$ 71.1	\$ 144.5	\$ 125.5	\$ 1,147.3

(1) The above table is based upon the debt balance and LIBOR rate as of June 30, 2016. In August 2015, Energizer entered into an interest rate swap agreement with one major financial institution that fixed the variable benchmark component (LIBOR) on \$200 of Energizer's variable rate debt through June 2022 at an interest rate of 2.22%.

(2) Globally, total expected pension contributions for the Company for fiscal year 2016 were estimated to be \$5.2. The Company has made \$3.2 year to date. The projected payments beyond fiscal year 2016 are not currently estimable.

(3) Included in the table above are approximately \$9.0 of fixed costs related to third party logistics contracts.

Energizer is also party to various service and supply contracts that generally extend approximately one to three months. These arrangements are primarily individual, short-term purchase orders for routine goods and services at market prices, which are part of our normal operations and are reflected in historical operating cash flow trends. These contracts can generally be canceled at our option at any time. We do not believe such arrangements will adversely affect our liquidity position.

Market Risk Sensitive Instruments and Positions

The market risk inherent in the Company's financial instruments' positions represents the potential loss arising from adverse changes in currency rates, commodity prices and interest rates. The following risk management discussion and the estimated amounts generated from the sensitivity analysis are forward-looking statements of market risk assuming certain adverse market conditions occur. The Company's derivatives are used only for identifiable exposures, and we have not entered into hedges for trading purposes where the sole objective is to generate profits.

Derivatives Designated as Cash Flow Hedging Relationships

A significant share of Energizer's product cost is more closely tied to the U.S. dollar than to the local currencies in which the product is sold. As such, a weakening of currencies relative to the U.S. dollar results in margin declines unless mitigated through pricing actions, which are not always available due to the economic or competitive environment. Conversely, strengthening of currencies relative to the U.S. dollar can improve reported results. The primary currencies to which Energizer is exposed include the Euro, the British pound, the Canadian dollar and the Australian dollar.

The Company has entered into a series of forward currency contracts to hedge the cash flow uncertainty of forecasted inventory purchases due to short term currency fluctuations. Energizer's foreign affiliates, which have the largest exposure to U.S. dollar purchases, have the Euro, the British pound, the Canadian dollar and the Australian dollar as their local currencies. These foreign currencies represent a significant portion of Energizer's foreign currency exposure. At June 30, 2016 and September 30, 2015, Energizer had an unrealized pre-tax loss of \$0.1 and gain of \$4.5, respectively, on these forward currency contracts accounted for as cash flow hedges, included in Accumulated other comprehensive loss on the Unaudited Condensed Consolidated Balance Sheets. Assuming foreign exchange rates versus the U.S. dollar remain at June 30, 2016 levels over the next twelve months, approximately \$0.1 of the pre-tax loss included in Accumulated other comprehensive loss at June 30, 2016, is expected to be included in earnings. Contract maturities for these hedges extend into fiscal year 2018.

Derivatives Not Designated as Cash Flow Hedging Relationships

Energizer's foreign subsidiaries enter into internal and external transactions that create non-functional currency balance sheet positions at the foreign subsidiary level. These exposures are generally the result of intercompany purchases, intercompany loans and to a lesser extent, external purchases, and are revalued in the foreign subsidiary's local currency at the end of each period. Changes in the value of the non-functional currency balance sheet positions in relation to the foreign subsidiary's local currency results in an exchange gain or loss recorded in Other financing items, net on the Consolidated Statements of Earnings and Comprehensive Income. The primary currency to which Energizer's foreign subsidiaries are exposed is the U.S. dollar.

The Company enters into foreign currency derivative contracts which are not designated as cash flow hedges for accounting purposes to hedge balance sheet exposures. Any gains or losses on these contracts are expected to be offset by exchange gains or losses on the underlying exposures, thus they are not subject to significant market risk. The change in estimated fair value of the foreign currency contracts for the quarter and nine months ended June 30, 2016 resulted in income of \$0.2 and \$0.4 and income of \$0.4 and \$2.9 for the quarter and nine months ended June 30, 2015 and was recorded in Other financing items, net on the unaudited Consolidated Statements of Earnings and Comprehensive Income (Condensed).

Commodity Price Exposure

The Company uses raw materials that are subject to price volatility. The Company has used, and may in the future use, hedging instruments to reduce exposure to variability in cash flows associated with future purchases of certain materials and commodities. At June 30, 2016, there were no open derivative or hedging instruments for future purchases of raw materials or commodities.

Interest Rate Exposure

The Company has interest rate risk with respect to interest expense on variable rate debt. At June 30, 2016, Energizer had variable rate debt with a principal balance of \$400.0 outstanding under the Term Loan. In November 2015, the Company entered into an interest rate swap agreement with one major financial institution that fixed the variable benchmark component (LIBOR) on \$200.0 of the Company's variable rate debt through June of 2022 at an interest rate of 2.22%. For the remaining variable rate debt, a 1% change in LIBOR would result in a change to the annual interest expense of approximately \$2.0, subject to the interest rate floor embedded within the credit agreement.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain a comprehensive set of disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) designed to ensure that information required to be disclosed in our filings under the Exchange Act is recorded, processed, summarized and reported accurately and within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to Energizer's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. Based on that evaluation performed, the Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were effective as of June 30, 2016, to provide reasonable assurance of the achievement of these objectives. Notwithstanding the foregoing, there can be no assurance that the Company's disclosure controls and procedures will detect or uncover all failures of persons within the Company and its consolidated subsidiaries to report material information otherwise required to be set forth in the Company's reports.

They have also determined in their evaluation that there was no change in the Company's internal control over financial reporting during the quarter ended June 30, 2016 that has materially affected or is reasonably likely to materially affect the Company's internal control over financial reporting.

Item 1 — Legal Proceedings

The Company and its affiliates are subject to a number of legal proceedings in various jurisdictions arising out of its operations. Many of these legal matters are in preliminary stages and involve complex issues of law and fact, and may proceed for protracted periods of time. The amount of liability, if any, from these proceedings cannot be determined with certainty. We are a party to legal proceedings and claims that arise during the ordinary course of business. We review our legal proceedings and claims, regulatory reviews and inspections and other legal proceedings on an ongoing basis and follow appropriate accounting guidance when making accrual and disclosure decisions. We establish accruals for those contingencies where the incurrence of a loss is probable and can be reasonably estimated, and we disclose the amount accrued and the amount of a reasonably possible loss in excess of the amount accrued, if such disclosure is necessary for our financial statements to not be misleading. We do not record liabilities when the likelihood that the liability has been incurred is probable, but the amount cannot be reasonably estimated. Based upon present information, the Company believes that its liability, if any, arising from such pending legal proceedings, asserted legal claims and known potential legal claims which are likely to be asserted, is not reasonably likely to be material to the Company's financial position, results of operations, or cash flows, when taking into account established accruals for estimated liabilities.

Item 1A - Risk Factors

Our Annual Report on Form 10-K for the year ended September 30, 2015, which was filed with the Securities and Exchange Commission on November 20, 2015, contains a detailed discussion of risk factors that could materially adversely affect our business, our operating results or our financial condition. There have been no material changes to the risk factors in our Annual Report on Form 10-K for the year ended September 30, 2015, except for the addition of the risk factor described below:

The United Kingdom's possible departure from the European Union could adversely affect us.

The June 23, 2016 referendum by United Kingdom voters to exit the European Union ("Brexit") adversely impacted global markets, including currencies, and resulted in a decline in the value of the British pound and the euro, as compared to the US dollar and other currencies. Volatility in exchange rates could be expected to continue in the short term as the United Kingdom negotiates its exit from the European Union. A weaker British pound and euro compared to the US dollar during a reporting period would cause local currency results of our United Kingdom and other European operations to be translated into fewer US dollars. In the longer term, any impact from Brexit on our United Kingdom and other European operations will depend, in part, on the outcome of tariff, trade, regulatory, and other negotiations. These changes may adversely affect our operations and financial results.

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

The following table reports purchases of equity securities during the third quarter of fiscal 2016 by Energizer and any affiliated purchasers pursuant to SEC rules, including any treasury shares withheld to satisfy employee withholding obligations upon vesting of restricted stock and the execution of net exercises.

Issuer Purchases of Equity Securities				
Period	Total Number of Shares Purchased (1)	Average Price Paid Per Shares	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (2)	Maximum Number That May Yet Be Purchased Under the Plans or Programs (2)
April 1 - April 30, 2016	—	\$ —	—	6,900,000
May 1 - May 31, 2016	—	\$ —	—	6,900,000
June 1 - June 30, 2016	—	\$ —	—	6,900,000

(1) 0 shares purchased during the quarter relate to the surrender to the Company of shares of common stock to satisfy tax withholding obligations in connection with the vesting of restricted stock or execution of net exercises.

(2) On July 1, 2015, the Board of Directors approved a new share repurchase authorization for the repurchase of up to 7.5 million shares.

Item 6 — Exhibits

See the Exhibit Index hereto.

SIGNATURES

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

ENERGIZER HOLDINGS, INC.

Registrant

By: /s/ Brian K. Hamm
Brian K. Hamm
Executive Vice President and Chief Financial Officer

Date: August 3, 2016

EXHIBIT INDEX

The exhibits below are numbered in accordance with the Exhibit Table of Item 601 of Regulation S-K.

Exhibit No.	Description of Exhibit
2.1**	Separation and Distribution Agreement by and between Energizer Holdings, Inc. (f/k/a Energizer SpinCo, Inc.) and Edgewell Personal Care Company (f/k/a Energizer Holdings, Inc.) dated as of June 25, 2015 (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed June 29, 2015).
2.2**	Tax Matters Agreement by and between Energizer Holdings, Inc. (f/k/a Energizer SpinCo, Inc.) and Edgewell Personal Care Company (f/k/a Energizer Holdings, Inc.) dated as of June 26, 2015 (incorporated by reference to Exhibit 2.2 to the Company's Current Report on Form 8-K filed June 29, 2015).
2.3**	Employee Matters Agreement by and between Energizer Holdings, Inc. (f/k/a Energizer SpinCo, Inc.) and Edgewell Personal Care Company (f/k/a Energizer Holdings, Inc.) dated as of June 25, 2015 (incorporated by reference to Exhibit 2.3 to the Company's Current Report on Form 8-K filed June 29, 2015).
2.4**	Transition Services Agreement by and between Energizer Holdings, Inc. (f/k/a Energizer SpinCo, Inc.) and Edgewell Personal Care Company (f/k/a Energizer Holdings, Inc.) dated as of June 25, 2015 (incorporated by reference to Exhibit 2.4 to the Company's Current Report on Form 8-K filed June 29, 2015).
2.5	Contribution Agreement by and between the Company and Edgewell Personal Care Company (f/k/a Energizer Holdings, Inc.) dated June 30, 2015 (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed June 30, 2015).
2.6**	Agreement and Plan of Merger, dated as of May 24, 2016, by and among the Company, Energizer Reliance, Inc., Trivest Partners V, L.P., and HandStands Holding Corporation (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed May 27, 2016).
3.1	Amended and Restated Articles of Incorporation of Energizer Holdings, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed June 30, 2015).
3.2	Amended and Restated Bylaws of Energizer Holdings, Inc. (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed June 30, 2015).
10.1	Incremental Term Loan Amendment No. 1, dated as of May 24, 2016, by and among the Company, the Loan Parties party thereto, JPMorgan Chase Bank, N.A., Citigroup Global Markets, Inc., and Citibank, N.A. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed May 27, 2016).
10.2*	Incremental Term Loan Amendment No. 2, dated as of July 8, 2016, by and among the Company, the Subsidiary Guarantors party thereto, the financial institutions party thereto, J.P. Morgan Securities LLC and JPMorgan Chase Bank, N.A.
31(i)*	Certification of periodic financial report by the Chief Executive Officer of Energizer Holdings, Inc. pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31(ii)*	Certification of periodic financial report by the Chief Financial Officer of Energizer Holdings, Inc. pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32(i)* Certification of periodic financial report pursuant to 18 U.S.C. Section 1350, adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, by the Chief Executive Officer of Energizer Holdings, Inc.

32(ii)* Certification of periodic financial report pursuant to 18 U.S.C. Section 1350, adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, by the Chief Financial Officer of Energizer Holdings, Inc.

101 Attached as Exhibit 101 to this Quarterly Report on Form 10-Q are the following documents formatted in eXtensible Business Reporting Language (XBRL): (i) the unaudited Consolidated Statements of Earnings and Comprehensive Income, (ii) the unaudited Consolidated Balance Sheets, (iii) the unaudited Consolidated Statements of Cash Flows, and (iv) Notes to Consolidated Financial Statements (Condensed). The financial information contained in the XBRL-related documents is "unaudited" and "unreviewed."

* Filed herewith.

** The Company undertakes to furnish supplementally a copy of any omitted schedule or exhibit to such agreement to the Securities and Exchange Commission.

AMENDMENT NO. 2 TO CREDIT AGREEMENT

AMENDMENT NO. 2 TO CREDIT AGREEMENT, dated as of July 8, 2016 (this “**Amendment**”), among Energizer Holdings, Inc., a Missouri corporation (the “**Borrower**”), the Subsidiaries of the Borrower party hereto (the “**Subsidiary Guarantors**”), the institutions listed on the signature pages hereto, J.P. Morgan Securities LLC (the “**Lead Arranger**”), as sole lead arranger and bookrunner, and JPMorgan Chase Bank, N.A., as the administrative agent (the “**Administrative Agent**”).

WHEREAS, reference is hereby made to the Credit Agreement, dated as of June 30, 2015 (as amended, restated, amended and restated, supplemented, extended, refinanced or otherwise modified prior to giving effect to this Amendment, the “**Credit Agreement**”), among the Borrower, the Lenders party thereto and the Administrative Agent;

WHEREAS, the Borrower desires to amend the Credit Agreement to make certain modifications set forth herein;

WHEREAS, the Borrower, the Administrative Agent and the Required Lenders have agreed to make such modifications in accordance with the terms and conditions set forth in this Amendment; and

WHEREAS, the Lead Arranger has agreed to act as the sole lead arranger and bookrunner in respect of this Amendment;

NOW, THEREFORE, in consideration of the premises and agreements, provisions and covenants herein contained, the parties hereto agree as follows:

Section 1. *Defined Terms; References.* Unless otherwise specifically defined herein, each term used herein which is defined in the Credit Agreement has the meaning assigned to such term in the Credit Agreement. The rules of construction and other interpretive provisions specified in Section 1.02 of the Credit Agreement shall apply to this Amendment, including terms defined in the preamble and recitals hereto.

Section 2. *Amendment.* Each of the parties hereto agrees that, on the effective date of this Amendment, the Credit Agreement shall be amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the pages of the Credit Agreement attached as Exhibit A hereto.

Section 3. *Effect of Amendment; Reaffirmation; Etc.* Except as expressly set forth herein or in the Credit Agreement, 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 Collateral Agent under the Credit Agreement or under 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 Credit Agreement or any other provision of the Credit Agreement or of any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Without limiting the foregoing, (i) each Loan Party acknowledges and agrees that (A) each Loan Document to which it is a party is hereby confirmed and ratified and shall remain in full force and effect according to its respective terms (in the case of the Credit Agreement, as amended hereby) and (B) the Collateral Documents do, and all of the Collateral does, and in each case shall continue to, secure the

payment of all Secured Obligations (as defined in the Collateral Agreement) on the terms and conditions set forth in the Collateral Documents, and hereby ratifies the security interests granted by it pursuant to the Collateral Documents and (ii) each Guarantor hereby confirms and ratifies its continuing unconditional obligations as Guarantor under the Collateral Agreement with respect to all of the Secured Obligations. On and as of the Amendment No. 2 Effective Date, each reference in the Credit Agreement to “this Agreement”, “hereof”, “hereunder”, “herein” and “hereby” and each other similar reference, and each reference in any other Loan Document to “the Credit Agreement”, “thereof”, “thereunder”, “therein” or “thereby” or any other similar reference to the Credit Agreement shall refer to the Credit Agreement as amended hereby.

Section 4. *Representations of Loan Parties.* Each of the Loan Parties hereby represents and warrants as of the date hereof:

(a) no Default or Unmatured Default exists; and

(b) all of the representations in the Credit Agreement are true and correct in all material respects (except that any representation and warranty that is qualified as to “materiality” or “Material Adverse Effect” shall be true and correct in all respects) on and as of such date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects (except that any representation and warranty that is qualified as to “materiality” or “Material Adverse Effect” shall be true and correct in all respects) as of such earlier date.

Section 5. *Governing Law.* THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

Section 6. *Counterparts.* This Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original but all of which when taken together shall constitute a single contract. Delivery of an executed signature page to this Amendment by facsimile or electronic transmission shall be as effective as delivery of a manually signed counterpart of this Amendment.

Section 7. *Effectiveness.* The effectiveness of this Amendment is subject to the following conditions precedent:

(a) the Administrative Agent shall have received executed copies of this Amendment from the Administrative Agent, the Borrower, the Subsidiary Guarantors and the Required Lenders;

(b) the Administrative Agent shall have received payment and/or reimbursement of all of the fees and expenses (including, to the extent invoiced, reasonable attorneys’ fees and expenses of counsel) due or payable to the Administrative Agent or its affiliates pursuant to Section 10.07 of the Credit Agreement; and

(c) (i) Revolving Commitment Increases shall become effective pursuant to an Increasing Lender Supplement in the form attached hereto as Exhibit B and/or (ii) Augmenting Revolving Loan Commitments shall become effective pursuant to an Augmenting Lender Supplement in the form attached hereto as Exhibit C in an aggregate principal amount equal to \$100,000,000.

Section 8. *Miscellaneous*. For the avoidance of doubt, (i) this Amendment constitutes a Loan Document and (ii) in entering this Amendment, the Lead Arranger acts as an Arranger for the purposes of the Credit Agreement and the other Loan Documents. Section 10.07 of the Credit Agreement is hereby incorporated by reference and shall apply *mutatis mutandis* as if each Lender party hereto and the Lead Arranger were the Administrative Agent and this Amendment were the Credit Agreement.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the day and year first above written.

ENERGIZER HOLDINGS, INC.

By: /s/ Brian K. Hamm

Name: Brian K. Hamm

Title: Executive Vice President and Chief Financial Officer

ENERGIZER INVESTMENT COMPANY

ENERGIZER BRANDS, LLC

ENERGIZER, LLC

ENERGIZER MANUFACTURING, INC.

ENERGIZER INTERNATIONAL, INC.

By: /s/ Brian K. Hamm

Name: Brian K. Hamm

Title: Executive Vice President and Chief Financial Officer

[Signature Page to Amendment No. 2]

**JPMORGAN CHASE BANK, N.A., as Administrative Agent and Sole Lead Arranger
and Bookrunner**

By: /s/ Brendan Korb

Name: Brendan Korb

Title: Vice President

[Signature Page to Amendment No. 2]

BANK OF AMERICA, N.A.

By: /s/ Aron Frey

Name: Aron Frey

Title: Vice President

[Signature Page to Amendment No. 2]

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.

By: /s/ Thomas J. Sterr

Name: Thomas J. Sterr

Title: Authorized Signatory

[Signature Page to Amendment No. 2]

THE NORTHERN TRUST COMPANY

By: /s/ John Lascody

Name: John Lascody

Title: Vice President

[Signature Page to Amendment No. 2]

TD BANK, N.A.

By: /s/ Bernadette Collins

Name: Bernadette Collins

Title: Senior Vice President

[Signature Page to Amendment No. 2]

CITIBANK, N.A.

By: /s/ Luc Vrettos

Name: Luc Vrettos

Title: Senior Vice President

[Signature Page to Amendment No. 2]

STANDARD CHARTERED BANK

By: /s/ Steven Aloupis

Name: Steven Aloupis A2388

Title: Managing Director Loan Syndications

[Signature Page to Amendment No. 2]

STOCK YARDS BANK & TRUST COMPANY

By: /s/ Joe Morrison

Name: Joe Morrison

Title: Vice President

[Signature Page to Amendment No. 2]

Vibrant CLO III, Ltd.

By: DFG Investment Advisers, Inc.

By: /s/ Roberta Goss

Name: Roberta Goss

Title: Managing Director

By:

Name:

Title:

[Signature Page to Amendment No. 2]

Hildene CLO III Ltd.

By: CF H-BSL MANAGEMENT LLC, its Collateral Manager

By: /s/ Scott Silvers

Name: Scott Silvers

Title: Managing Director

By:

Name:

Title:

[Signature Page to Amendment No. 2]

THL Credit Wind River 2014-1 CLO Ltd.

By: THL Credit Advisors LLC, as Investment Manager

By: /s/ James R. Fellows

Name: James R. Fellows

Title: Managing Director/Co-Head

By:

Name:

Title:

[Signature Page to Amendment No. 2]

THL Credit Wind River 2014-2 CLO Ltd.

By: THL Credit Senior Loan Strategies LLC, as Manager

By: /s/ James R. Fellows

Name: James R. Fellows

Title: Managing Director/Co-Head

By:

Name:

Title:

[Signature Page to Amendment No. 2]

Crown Point CLO III, Ltd.

By: Valcour Capital Management LLC, as its Collateral Manager

By: /s/ John D'Angelo

Name: John D'Angelo

Title: Sr. Portfolio Manager

By:

Name:

Title:

[Signature Page to Amendment No. 2]

STATE STREET BANK & TRUST COMPANY

By: /s/ Jason C. Bliss, CFA

Name: Jason C. Bliss, CFA

Title: Vice President

[Signature Page to Amendment No. 2]

Bronco Trading, LLC

By: /s/ Karen Weich

Name: Karen Weich

Title: Vice President

By:

Name:

Title:

[Signature Page to Amendment No. 2]

Davidson River Trading, LLC

By: SunTrust Bank, as manager

By: /s/ Karen Weich

Name: Karen Weich

Title: Vice President

By:

Name:

Title:

[Signature Page to Amendment No. 2]

ARMED FORCES BANK, NA

By: /s/ Judson Stamion

Name: Judson Stamion

Title: Senior Vice President

[Signature Page to Amendment No. 2]

CALIFORNIA FIRST NATIONAL BANK

By: /s/ Mark D. Cross

Name: Mark D. Cross

Title: EVP, Chief Credit Officer

By:

Name:

Title:

[Signature Page to Amendment No. 2]

AZB FUNDING 3

By: /s/ Shuji Tsubota

Name: Shuji Tsubota

Title: Authorized Signatory

[Signature Page to Amendment No. 2]

Catamaran CLO 2012-1 Ltd.

By: Trimaran Advisors, L.L.C.

By: /s/ Daniel Gilligan

Name: Daniel Gilligan

Title: Authorized Signatory

By:

Name:

Title:

[Signature Page to Amendment No. 2]

Catamaran CLO 2013-1 Ltd.

By: Trimaran Advisors, L.L.C.

By: /s/ Daniel Gilligan

Name: Daniel Gilligan

Title: Authorized Signatory

By:

Name:

Title:

[Signature Page to Amendment No. 2]

Catamaran CLO 2014-1 Ltd.

By: Trimaran Advisors, L.L.C.

By: /s/ Daniel Gilligan

Name: Daniel Gilligan

Title: Authorized Signatory

By:

Name:

Title:

[Signature Page to Amendment No. 2]

Catamaran CLO 2014-2 Ltd.

By: Trimaran Advisors, L.L.C.

By: /s/ Daniel Gilligan

Name: Daniel Gilligan

Title: Authorized Signatory

By:

Name:

Title:

[Signature Page to Amendment No. 2]

AMMC CLO 15, LIMITED

By: American Money Management Corp., as Collateral Manager

By: /s/ David P. Meyer

Name: David P. Meyer

Title: Senior Vice President

By:

Name:

Title:

[Signature Page to Amendment No. 2]

AMMC CLO 16, LIMITED

By: American Money Management Corp., as Collateral Manager

By: /s/ David P. Meyer

Name: David P. Meyer

Title: Senior Vice President

By:

Name:

Title:

[Signature Page to Amendment No. 2]

AMMC CLO XIV, LIMITED

By: /s/ David P. Meyer

Name: David P. Meyer

Title: Senior Vice President

By:

Name:

Title:

[Signature Page to Amendment No. 2]

STATE BANK AND TRUST COMPANY

By: /s/ Wes Reagan

Name: Wes Reagan

Title: Senior Vice President

[Signature Page to Amendment No. 2]

OZLM Funding III, Ltd.

By: Och-Ziff Loan Management LP, its collateral manager

By: Och-Ziff Loan Management LLC, its general partner

By: /s/ Joel Frank

Name: Joel Frank

Title: Chief Financial Officer

[Signature Page to Amendment No. 2]

OZLM Funding IV, Ltd.

By: Och-Ziff Loan Management LP, its collateral manager

By: Och-Ziff Loan Management LLC, its general partner

By: /s/ Joel Frank

Name: Joel Frank

Title: Chief Financial Officer

[Signature Page to Amendment No. 2]

OZLM Funding V, Ltd.

By: Och-Ziff Loan Management LP, its collateral manager

By: Och-Ziff Loan Management LLC, its general partner

By: /s/ Joel Frank

Name: Joel Frank

Title: Chief Financial Officer

[Signature Page to Amendment No. 2]

OZLM VI, Ltd.

By: Och-Ziff Loan Management LP, its collateral manager

By: Och-Ziff Loan Management LLC, its general partner

By: /s/ Joel Frank

Name: Joel Frank

Title: Chief Financial Officer

[Signature Page to Amendment No. 2]

OZLM VII, Ltd.

By: Och-Ziff Loan Management LP, its collateral manager

By: Och-Ziff Loan Management LLC, its general partner

By: /s/ Joel Frank

Name: Joel Frank

Title: Chief Financial Officer

[Signature Page to Amendment No. 2]

OZLM VIII, Ltd.

By: Och-Ziff Loan Management LP, its collateral manager

By: Och-Ziff Loan Management LLC, its general partner

By: /s/ Joel Frank

Name: Joel Frank

Title: Chief Financial Officer

[Signature Page to Amendment No. 2]

OZLM IX, Ltd.

By: Och-Ziff Loan Management LP, its collateral manager

By: Och-Ziff Loan Management LLC, its general partner

By: /s/ Joel Frank

Name: Joel Frank

Title: Chief Financial Officer

[Signature Page to Amendment No. 2]

OZLM XI, Ltd.

By: Och-Ziff Loan Management LP, its collateral manager

By: Och-Ziff Loan Management LLC, its general partner

By: /s/ Joel Frank

Name: Joel Frank

Title: Chief Financial Officer

[Signature Page to Amendment No. 2]

OZLM XII, Ltd.

By: Och-Ziff Loan Management LP, its collateral manager

By: Och-Ziff Loan Management LLC, its general partner

By: /s/ Joel Frank

Name: Joel Frank

Title: Chief Financial Officer

[Signature Page to Amendment No. 2]

OZLM XIV, Ltd.

By: Och-Ziff Loan Management LP, its collateral manager

By: Och-Ziff Loan Management LLC, its general partner

By: /s/ Joel Frank

Name: Joel Frank

Title: Chief Financial Officer

[Signature Page to Amendment No. 2]

J.P.Morgan

CREDIT AGREEMENT

Dated as of June 30, 2015

among

ENERGIZER SPINCO, INC.
(expected to be renamed Energizer Holdings, Inc. on June 30, 2015),

as Borrower

THE INSTITUTIONS FROM TIME TO TIME

PARTIES HERETO AS LENDERS

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

and

BANK OF AMERICA, N.A.,
THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.

and

CITIBANK, N.A.
as Co-Syndication Agents

J.P. MORGAN SECURITIES LLC,
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,
THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.

and

CITIGROUP GLOBAL MARKETS INC.
as Joint Lead Arrangers and Joint Bookrunners

*With respect to the New 2016 Term Loan Commitments and the 2016 New Term Loans, Citigroup Global Markets Inc. and JPMorgan Chase Bank, N.A. act as joint lead arrangers and bookrunners.

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(e) any amount of the Available Amount used to make Investments pursuant to [Section 7.03\(d\)](#) after the Funding Date and prior to the applicable date of determination, *minus*

(f) any amount of the Available Amount used to make Restricted Payments pursuant to [Section 7.03\(h\)\(i\)\(G\)](#) after the Funding Date and prior to the applicable date of determination, *minus*

(g) any amount of the Available Amount used to make payments in respect of Indebtedness pursuant to [Section 7.03\(h\)\(ii\)\(E\)](#) after the Funding Date and prior to the date of determination.

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

“Bail-In Legislation” means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule

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

“Banking Services Agreement” means any agreement entered into by the Borrower or any Restricted Subsidiary in connection with Banking Services.

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

“Bankruptcy Event” means, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, provided, further, that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental

of business, (viii) any net after-tax extraordinary, unusual or nonrecurring losses, costs, charges or expenses during such period; provided that the aggregate cash portion of such losses, costs, charges and expenses added back pursuant to this clause (viii) shall not exceed \$25,000,000 during any period of four consecutive fiscal quarters, (ix) any restructuring charges, accruals, reserves and business optimization expenses during such period, (x) one-time compensation charges, consolidation, transition, integration or other similar charges and expenses, contract termination costs, excess pension charges, system establishment charges, start-up or closure or transition costs, expenses related to any reconstruction, decommissioning, recommissioning or reconfiguration of fixed assets for alternative uses, fees, expenses or charges relating to curtailments or modifications to pension and post-retirement employee benefit plans, litigation settlements or losses outside the ordinary course of business and (xi) any net cost savings, operating expense reductions and synergies projected by the Borrower to result from actions taken during such period that (a) are reasonably expected to be realized within twelve (12) months of the applicable action as set forth in reasonable detail on a certificate of an Authorized Officer delivered to the Administrative Agent, (b) are calculated on a basis consistent with GAAP and are, in each case, reasonably identifiable, factually supportable, and expected to have a continuing impact on the operations of the Borrower and its Restricted Subsidiaries and (c) are either (x) permitted as an adjustment pursuant to Article 11 of Regulation S-X under the Securities Act or (y) represent, when aggregated with any amounts added back pursuant to clauses (ix) and (x), less than 10.0% of Consolidated EBITDA for such period (determined (x) prior to giving effect to any adjustment pursuant to clauses (ix), (x) or (xi) and (y) net of the amount of actual benefits realized from such actions during such period from such actions), and minus (b) without duplication (i) to the extent not deducted in determining such Consolidated Net Income, all cash payments made during such period on account of non-cash charges that were or would have been added to Consolidated Net Income in such period or in a previous period and pursuant to clause (v) above and (ii) to the extent included in determining such Consolidated Net Income, (A) any net after-tax extraordinary, unusual or nonrecurring gains and all non-cash items of income (other than normal accruals in the ordinary course of business) for such period and (B) any gains for such period attributable to early extinguishment of Indebtedness or obligations under any Swap Agreement, all determined on a consolidated basis in accordance with GAAP; provided that Consolidated EBITDA shall be calculated so as to exclude the effect of any gain or loss that represents after-tax gains or losses attributable to any sale, transfer or other disposition of assets by the Borrower or any Restricted Subsidiary, other than dispositions in the ordinary course of business;

“**Consolidated Interest Expense**” means, for any period for the Borrower and its Restricted Subsidiaries, all interest expense on a consolidated basis determined in accordance with GAAP, but including, in any event, the interest component under Capitalized Leases, Synthetic Lease Obligations and any premiums, fees, discounts, expenses and losses on the sale of accounts receivable (and any amortization thereof) payable by the Borrower or any Restricted Subsidiary ~~in connection with a Permitted Receivables Financing~~. Except as expressly provided otherwise, the applicable period shall be the four consecutive fiscal quarters of the Borrower ending as of the date of determination.

“**Consolidated Net Income**” means, for any period, the net income or loss of the Borrower and its Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP; provided that there shall be excluded (a) the income of any Person

“**Controlled Group**” means the group consisting of (i) any corporation which is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Code) as the Borrower; (ii) a partnership or other trade or business (whether or not incorporated) which is under common control (within the meaning of Section 414(c) of the Code) with the Borrower; and (iii) a member of the same affiliated service group (within the meaning of Section 414(m) of the Code) as the Borrower, any corporation described in [clause \(i\)](#) above or any partnership or trade or business described in [clause \(ii\)](#) above.

“**Co-Syndication Agents**” means each of Bank of America, N.A. (and its successors), The Bank of Tokyo-Mitsubishi UFJ, Ltd. (and its successors) and Citibank, N.A. (and its successors) in their respective capacities as co-syndication agents for the loan transactions evidenced by this Agreement.

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

“**Declined Proceeds**” is defined in [Section 2.04\(b\)\(iv\)](#).

“**Default**” means an event described in Article [8](#) hereof.

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

“**Deposit Account**” is defined in the Collateral Agreement.

“**Designated Noncash Consideration**” means the fair market value of noncash consideration received by the Borrower or any of its Restricted Subsidiaries in connection with an asset sale that is so designated as Designated Noncash Consideration pursuant to a certificate of an Authorized Officer of the Borrower delivered to the Administrative Agent setting forth the

basis of such valuation, less the amount of cash and Cash Equivalents received in connection with a subsequent sale of such Designated Noncash Consideration.

“Disqualified Lenders” means certain banks, financial institutions and other institutional lenders and any Company Competitor (or Known Affiliates of Company Competitors) identified in writing to the Arrangers on or prior to May 5, 2015, with such writing posted on the Platform, including that portion of the Platform that is designated for Public Side Lender Representatives, prior to the Funding Date.

“Disqualified Stock” means any Equity Interests which, by their terms (or by the terms of any security into which they are convertible or for which they are exchangeable), or upon the happening of any event, (a) mature (excluding any maturity as the result of an optional redemption by the issuer thereof) or are mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or are redeemable at the option of the holder thereof, in whole or in part, or require the payment of any cash dividend or any other scheduled payment constituting a return of capital, in each case at any time on or prior to the first anniversary of the latest Termination Date (determined as of the date of issuance thereof or, in the case of any such Equity Interests outstanding on the Escrow Date, the Escrow Date), or (b) are convertible into or exchangeable (unless at the sole option of the issuer thereof) for (i) cash, (ii) debt securities or (iii) any Equity Interests referred to in (a) above, in each case at any time prior to the first anniversary of the latest Maturity Date (determined as of the date of issuance thereof or, in the case of any such Equity Interests outstanding on the Escrow Date, the Escrow Date). Notwithstanding the foregoing, any Equity Interests that would constitute Disqualified Stock solely because holders of the Equity Interests have the right to require the issuer of such Equity Interests to repurchase such Equity Interests upon the occurrence of a change of control or an asset sale will not constitute Disqualified Stock if the terms of such Equity Interests provide that the issuer may not repurchase or redeem any such Equity Interests pursuant to such provisions unless such repurchase or redemption is permitted under the terms of this Agreement.

“DOL” means the United States Department of Labor and any Person succeeding to the functions thereof.

“Dollar” and **“\$”** means dollars in the lawful currency of the United States.

“Domestic Subsidiary” means any Subsidiary of the Borrower that is organized under the laws of the United States, any state of the United States or the District of Columbia.

“EEA Financial Institution” means [\(a\) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, \(b\) any entity established in an EEA Member Country which is a parent of an institution described in clause \(a\) of this definition, or \(c\) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses \(a\) or \(b\) of this definition and is subject to consolidated supervision with its parent.](#)

“EEA Member Country” means [any of the member states of the European Union, Iceland, Liechtenstein, and Norway.](#)

“**EEA Resolution Authority**” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“**ECF Percentage**” means, as of the date of determination, (a) if the Senior Secured Leverage Ratio as of the last day of the applicable fiscal year of the Borrower is greater than 2.50 to 1.00, 50.0%, (b) if the Senior Secured Leverage Ratio as of the last day of the applicable fiscal year of the Borrower is less than or equal to 2.50 to 1.00 but greater than 2.00 to 1.00, 25.0% and (c) otherwise, 0.0%.

“**EHI**” means Energizer Holdings, Inc. (expected to be renamed Edgewell Personal Care Company after the Spin Transaction), a Missouri corporation.

“**Environmental, Health or Safety Requirements of Law**” means all applicable foreign, federal, state and local laws (including common law), rules or regulations relating to or addressing pollution or protection of the environment, or protection of worker health or safety, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq., the Occupational Safety and Health Act of 1970, 29 U.S.C. § 651 et seq., and the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq., in each case including any amendments thereto, any successor statutes, and any regulations promulgated thereunder, and any state or local equivalent thereof.

“**Equity Interests**” means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended from time to time, including (unless the context otherwise requires) any rules or regulations promulgated thereunder.

“**Escrow Agreement**” means the escrow agreement among the Borrower, JPMorgan, in its capacities as a Lender and Administrative Agent hereunder and the escrow agent thereunder and the other Revolving Lenders with Revolving Loan Commitments listed on Schedule 2.01 as of the Funding Date, pursuant to which the executed signature pages to the Agreement shall be delivered into escrow.

“**Escrow Date**” means the effective date of the Escrow Agreement, which date is June 1, 2015.

“**EU Bail-In Legislation Schedule**” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“**Eurodollar Base Rate**” means, with respect to any Advance of Eurodollar Rate Loans for any Interest Period, the rate appearing on Reuters Screen LIBOR01 Page (or on any successor or substitute page of such service, or any successor to or substitute for such service, providing rate quotations comparable to those currently provided on such page of such service, as determined by the Administrative Agent from time to time for purposes of providing

“**Exchange Act**” means the United States Securities Exchange Act of 1934.

“**Excluded Account**” means any deposit account or securities account of a Loan Party of the type described in the definition of “**Excluded Accounts**” in the Collateral Agreement.

“**Excluded Subsidiary**” means (i) any Subsidiary that is not a wholly owned Subsidiary of the Borrower, (ii) any Foreign Subsidiary, (iii) any Subsidiary that is a direct or indirect Subsidiary of a Foreign Subsidiary that is a CFC and (iv) any CFC Holdco, (v) any Subsidiary that is prohibited or restricted by applicable law, regulation or by any Contractual Obligation existing on the Funding Date or on the date such Person becomes a Subsidiary (as long as such Contractual Obligation was not entered into in contemplation of such Person becoming a Subsidiary) from providing a Guarantee of the Obligations or if such Guarantee would require governmental (including regulatory) consent, approval, license or authorization unless such consent, approval, license or authorization has been received, (vi) any Subsidiary that is a not-for-profit organization, (vii) any Unrestricted Subsidiary, (viii) any Restricted Subsidiary that is an Immaterial Subsidiary (unless the Borrower otherwise elects), [and](#) (ix) any other Restricted Subsidiary with respect to which, in the reasonable judgment of the Administrative Agent (confirmed in writing by notice to the Borrower), the cost or other consequences of becoming a Subsidiary Guarantor shall be excessive in view of the benefits to be obtained by the Lenders therefrom ~~and (x) any SPV~~.

“**Excluded Swap Obligation**” means, with respect to any Loan Party, any Swap Obligation if, and to the extent that, all or a portion of the Guaranty of such Loan Party of, or the grant by such Loan Party of a security interest to secure, such Swap Obligation (or any Guaranty thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Loan Party’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act and the regulations thereunder (determined after giving effect to Section 30 of the Collateral Agreement and any other “keepwell, support or other agreement” for the benefit of such Loan Party and any and all guarantees of such Loan Party’s Swap Obligations by other Loan Parties) at the time the Guaranty of such Loan Party, or a grant by such Loan Party of a security interest, becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guaranty or security interest is or becomes excluded in accordance with the first sentence of this definition.

“**Excluded Taxes**” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment resulting from a demand made by Borrower (or the Administrative Agent upon consultation with, or otherwise at the direction of, the Borrower) under Section [2.19](#)) or (ii) such Lender changes its lending office,

or any Restricted Subsidiary and (iii) any purchase price adjustment or earnout incurred in connection with an acquisition, except to the extent that the amount payable pursuant to such purchase price adjustment or earnout is, or becomes, reasonably determinable), (e) all Capitalized Lease Obligations and Synthetic Lease Obligations of such Person, (f) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (g) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances, (h) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed by such Person (but only to the extent of the lesser of (x) the amount of such Indebtedness and (y) the fair market value of such property, if such Indebtedness has not been assumed by such Person), and (i) all Guarantees by such Person of Indebtedness of others ~~and (j) the amount of any Permitted Receivables Financing~~. The Indebtedness of any Person shall include the Indebtedness of any other Person (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor by contract, as a matter of law or otherwise as a result of such Person's ownership interest in or other relationship with such other Person, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

“**Indemnified Matters**” is defined in Section 10.07(b) hereof.

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

“**Indemnitees**” is defined in Section 10.07(b) hereof.

“**Initial Lender**” means JPMorgan Chase Bank, N.A., Bank of America, N.A., The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Citi.

“**Intangible Assets**” means the aggregate amount, for the Borrower and its Restricted Subsidiaries on a consolidated basis, of all assets classified as intangible assets under GAAP, including, without limitation, customer lists, acquired technology, goodwill, computer software, trademarks, patents, copyrights, organization expenses, franchises, licenses, trade names, brand names, mailing lists, catalogs, unamortized debt discount and capitalized research and development costs.

“**Interest Expense Coverage Ratio**” means, as of any date of determination, the ratio of (a) Consolidated EBITDA as of such date to (b) Consolidated Interest Expense as of such date.

“**Interest Period**” means, with respect to a Eurodollar Rate Loan, a period of one (1), two (2), three (3) or six (6) months or, to the extent available to all of the Lenders and agreed to between the Borrower and the Administrative Agent (acting on the instructions of all of the Lenders), twelve (12) months, commencing on a Business Day selected by the Borrower on which such an Advance comprised of Eurodollar Rate Loans is made to Borrower pursuant to this Agreement. Such Interest Period shall end on (but exclude) the day which corresponds numerically to such date one, two, three or six months (or twelve months) thereafter; provided, however, that if there is no such numerically corresponding day in such next, second, third, sixth (or twelfth) succeeding month, such Interest Period shall end on the last Business Day of such next, second, third, sixth

any lease (other than Capitalized Lease Obligations), license or sublicense or concession agreement permitted by this Agreement;

(x) Liens arising in the ordinary course of business in favor of custom and forwarding agents and similar Persons in respect of imported goods and merchandise in the custody of such Persons;

(xi) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(xii) Liens or rights of setoff against credit balances of the Borrower or any Restricted Subsidiary with credit card issuers or credit card processors to secure obligations of the Borrower or such Restricted Subsidiary, as the case may be, to any such credit card issuer or credit card processor incurred in the ordinary course of business as a result of fees and chargebacks;

(xiii) other Liens that are contractual rights of setoff;

(xiv) Liens of landlords on fixtures, equipment and movable property located on leased premises and utility easements, building restrictions and such other encumbrances or charges against real property as are of a nature generally existing with respect to properties of a similar character; and

(xv) Liens (including, without limitation and to the extent constituting Liens, negative pledges) on intellectual property arising from intellectual property licenses entered into in the ordinary course of business;

provided that the term “**Permitted Encumbrances**” shall not include any Lien securing Indebtedness, other than Liens referred to in clause (iii)(b) above securing letters of credit, bank guarantees or similar instruments.

~~“**Permitted Receivables Financing**” means any receivables financing facility or arrangement pursuant to which a Securitization Subsidiary purchases or otherwise acquires accounts receivable of the Borrower or any Restricted Subsidiaries and enters into a third-party financing thereof on terms that the Board of Directors has concluded are customary and market terms fair to the Borrower and its Restricted Subsidiaries.~~

“**Permitted Reorganization Transactions**” means a series of transactions effected by the Borrower and certain of its Subsidiaries as described in the step plan dated July 8, 2016 entitled Project Backflip Macro Steps prepared by Ernst & Young as provided to the Administrative Agent, as such step plan may be modified from time to time, so long as (x) in the case of any such modification that is materially adverse to the Lenders, the Required Lenders approved such modification and (y) in the case of any other modification, the Administrative Agent shall approved such modification.

“**Person**” means any individual, corporation, firm, enterprise, partnership, trust, incorporated or unincorporated association, joint venture, joint stock company, limited liability

company or other entity of any kind, or any government or political subdivision or any agency, department or instrumentality thereof.

“**Plan**” means an employee benefit plan defined in Section 3(3) of ERISA in respect of which the Borrower or any member of the Controlled Group is, or within the immediately preceding six (6) years was, an “employer” as defined in Section 3(5) of ERISA.

“**Platform**” is defined in Section 14.01(b)(ii).

“**Prepayment Event**” means:

- (a) any sale, transfer, lease or other disposition (including pursuant to a Sale-Leaseback Transaction or by way of merger or consolidation) of any asset of the Borrower or any Restricted Subsidiary, including any sale or issuance to a Person other than the Borrower or any Restricted Subsidiary of Equity Interests in any Subsidiary, other than (i) dispositions described in clauses (i) through (vii) and clause (ix) of Section 7.03(e) and (ii) other dispositions resulting in aggregate Net Proceeds not exceeding \$10,000,000 for any individual transactions or series of related transactions (with the aggregate amount of all such Net Proceeds excluded pursuant to this clause (a)(ii) and clause (b) below not to exceed \$50,000,000 during the term of this Agreement);
- (b) any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any asset of the Borrower or any Restricted Subsidiary resulting in aggregate Net Proceeds of \$10,000,000 or more (with the aggregate amount of all such Net Proceeds excluded pursuant to this clause (b) and clause (a)(ii) above not to exceed \$50,000,000 during the term of this Agreement); or
- (c) the incurrence by the Borrower or any Restricted Subsidiary of any Indebtedness, other than any Indebtedness permitted to be incurred by Section 7.03(a) other than Refinancing Term Loans and Refinancing Debt Securities.

“**Pricing Schedule**” means the schedule attached hereto and identified as such, setting forth the Applicable Margin, the Applicable L/C Fee Percentage and the Applicable Commitment Fee Percentage.

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

“**Private Side Lender Representatives**” means, with respect to any Lender, representatives of such Lender that are not Public Side Lender Representatives.

“**Pro Rata Share**” means, with respect to any Lender, the percentage obtained by dividing (A) such Lender’s Revolving Loan Commitment and Term Loan Commitment, as applicable, at such time (in each case, as adjusted from time to time in accordance with the provisions of this Agreement) by (B) the Aggregate Revolving Loan Commitment and Aggregate Term Loan Commitments, as applicable, at such time; provided, however, if all of the Revolving

the U.S. Department of the Treasury or the U.S. Department of State, or (b) the United Nations Security Council, the European Union or Her Majesty's Treasury of the United Kingdom.

“**Secured Obligations**” is defined in the Collateral Agreement.

“**Securities Act**” means the United States Securities Act of 1933.

~~“**Securitization Subsidiary**” means a Subsidiary of the Borrower: (1) that is designated a “Securitization Subsidiary” by the Board of Directors, (2) that does not engage in, and whose charter prohibits it from engaging in, any activities other than Permitted Receivables Financings and any activity necessary, incidental or related thereto, (3) no portion of the Indebtedness or any other obligation, contingent or otherwise, of which: (A) is Guaranteed by the Borrower or any Restricted Subsidiary of the Borrower, (B) is recourse to or obligates the Borrower or any Restricted Subsidiary of the Borrower in any way, or (C) subjects any property or asset of the Borrower or any Restricted Subsidiary of the Borrower, directly or indirectly, contingently or otherwise, to the satisfaction thereof; (4) with respect to which neither the Borrower nor any Restricted Subsidiary of the Borrower (other than an Unrestricted Subsidiary) has any obligation to maintain or preserve such its financial condition or cause it to achieve certain levels of operating results, other than, in respect of clauses (3) and (4), pursuant to customary representations, warranties, covenants and indemnities entered into in connection with a Permitted Receivables Financing.~~

“**Senior Management Team**” means (a) each Authorized Officer, the chief executive officer, secretary and (b) any chief executive officer, president, vice president, chief financial officer, treasurer or secretary of any Subsidiary Guarantor.

“**Senior Note Indenture**” means that certain Note Indenture dated as of June 1, 2015 among the Borrower and the “**Trustee**” referred to therein, under which the Borrower has issued senior unsecured notes in an original aggregate principal amount of \$600,000,000 (the “**Senior Notes**”).

“**Senior Notes**” is defined in the definition of “**Senior Note Indenture**” above.

“**Senior Secured Indebtedness**” means, as of any date, the sum, without duplication, of (a) the aggregate principal amount of Indebtedness of the Borrower and the Restricted Subsidiaries outstanding as of such date that is secured by any Lien on any asset of the Borrower or any Restricted Subsidiary (other than Indebtedness of any Foreign Subsidiary that is secured by a Lien only on assets of one or more Foreign Subsidiaries), in the amount that would be reflected on a balance sheet prepared as of such date on a consolidated basis in accordance with GAAP, or any other accounting principle that results in the amount of any such Indebtedness (other than zero coupon Indebtedness) as reflected on such balance sheet to be below the stated principal amount of such Indebtedness), (b) the aggregate amount of Capitalized Lease Obligations and Synthetic Lease Obligations of the Borrower and the Restricted Subsidiaries outstanding as of such date (other than Capitalized Lease Obligations of any Foreign Subsidiary that is not Guaranteed by, or otherwise recourse to, the Borrower or any Domestic Subsidiary), determined on a consolidated basis, ~~and~~ (c) ~~the amount of any Permitted Receivables Financing and~~ (d) the aggregate obligations of the Borrower and the Restricted Subsidiaries as an account party in respect of letters of credit or letters of guaranty that is secured by any Lien on any asset

~~“SPV” means any special purpose entity established for the purpose of purchasing receivables in connection with a receivables securitization transaction permitted under the terms of this Agreement.~~

“**Statutory Reserve Rate**” means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Administrative Agent is subject, with respect to the Eurodollar Rate, for eurocurrency funding (currently referred to as “Eurocurrency Liabilities” in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. Eurodollar Rate Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

“**Subsidiary**” of a Person means (i) any corporation more than 50.0% of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, or (ii) any partnership, limited liability company, association, joint venture or similar business organization more than 50.0% of the ownership interests having ordinary voting power of which shall at the time be owned or controlled. Unless otherwise expressly provided, all references herein to a “**Subsidiary**” means a Subsidiary of the Borrower.

“**Subsidiary Guarantors**” means each Subsidiary of the Borrower that is party to the Collateral Agreement as a guarantor (which shall not include any Excluded Subsidiary), until any such Subsidiary is released as a guarantor under the Collateral Agreement in accordance with the Loan Documents.

“**Subordinated Indebtedness**” of a Person means any Indebtedness of such Person the payment of which is subordinated to payment of the Obligations.

“**Supplemental Perfection Certificate**” means a certificate in the form of Exhibit I or any other form approved by the Administrative Agent.

“**Swap Agreement**” means any agreement 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; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrower or any Subsidiary shall be a Swap Agreement.

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

“**Unrestricted Subsidiary**” means any Subsidiary of the Borrower designated by the Board of Directors of the Borrower as an Unrestricted Subsidiary pursuant to [Section 7.02\(o\)](#) subsequent to the Funding Date.

“**Weighted Average Life to Maturity**” means, when applied to any Indebtedness at any date, the number of years obtained by dividing: (i) the sum of the products obtained by multiplying (a) the amount of each then remaining instalment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (ii) the then outstanding principal amount of such Indebtedness.

“**Withholding Agent**” means any Loan Party and the Administrative Agent.

“**Write-Down and Conversion Powers**” means, [with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.](#)

“**Yield Differential**” is defined in [Section 2.05\(b\)\(iii\)](#) hereof.

The foregoing definitions shall be equally applicable to both the singular and plural forms of the defined terms. Any accounting terms used in this Agreement which are not specifically defined herein shall have the meanings customarily given them in accordance with generally accepted accounting principles in existence as of the Escrow Date.

Section 1.02 *References*

. Any references to Subsidiaries of the Borrower shall not in any way be construed as consent by the Administrative Agent or any Lender to the establishment, maintenance or acquisition of any Subsidiary, except as may otherwise be permitted hereunder.

ARTICLE 2 AMOUNT AND TERMS OF CREDIT

Section 2.01 *The Commitments*

. (a) Upon the satisfaction of the conditions precedent set forth in [Sections 5.01](#) and [5.02](#), as applicable, from and including the Funding Date and prior to the Revolving Loan Termination Date, each Revolving Lender severally and not jointly agrees, on the terms and conditions set forth in this Agreement, to make revolving loans to the Borrower from time to time, in Dollars, in an amount not to exceed such Revolving Lender’s Pro Rata Share of Revolving Credit Availability at such time (each individually, a “**Revolving Loan**” and, collectively, the “**Revolving Loans**”); provided, however, at no time shall the Revolving Credit Obligations exceed the Aggregate Revolving Loan Commitment. Subject to the terms of this Agreement, the Borrower may borrow, repay and reborrow Revolving Loans at any time prior to the Revolving Loan Termination Date.

(b) (i) Upon the satisfaction of the conditions precedent set forth in [Sections 5.01](#) and [5.02](#), each Closing Date Term Lender severally agrees to make a single term loan to the Borrower on the Funding Date the principal amount of such Closing Date Term Lender’s Closing Date Term Loan Commitment, which Term Loans (i) shall be denominated in Dollars and (ii) shall, at the option of the Borrower and subject to [clause \(c\)](#) below, be incurred and maintained as,

Section 2.02 *Swing Line Loans*. (a) *Amount of Swing Line Loans*. Upon the satisfaction of the conditions precedent set forth in Section 5.01 and Section 5.02, as applicable, from and including the Funding Date and prior to the Revolving Loan Termination Date, the Swing Line Bank may, in its discretion, on the terms and conditions set forth in this Agreement, make swing line loans to the Borrower from time to time, in Dollars, in an amount not to exceed the Swing Line Commitment (each, individually, a “**Swing Line Loan**” and collectively, the “**Swing Line Loans**”); provided, however, at no time shall the Revolving Credit Obligations exceed the Aggregate Revolving Loan Commitment; and provided, further, that at no time shall the sum of (i) the outstanding amount of the Swing Line Bank’s Pro Rata Share of the Swing Line Loans, plus (ii) the outstanding amount of Revolving Loans made by the Swing Line Bank pursuant to Section 2.01, exceed the Swing Line Bank’s Revolving Loan Commitment at such time. Subject to the terms of this Agreement, the Borrower may borrow, repay and reborrow Swing Line Loans at any time prior to the Revolving Loan Termination Date.

(b) *Borrowing/Election Notice for Swing Line Loans*. The Borrower shall deliver to the Administrative Agent and the Swing Line Bank a Borrowing/Election Notice, signed by it, not later than 12:00 noon (Chicago time) on the Borrowing Date of each Swing Line Loan, specifying (i) the applicable Borrowing Date (which date shall be a Business Day and which may be the same date as the date the Borrowing/Election Notice is given), and (ii) the aggregate amount of the requested Swing Line Loan which shall be an amount not less than \$500,000 and increments of \$100,000 in excess thereof. The Swing Line Loans shall at all times be Floating Rate Loans or shall bear interest at such other rate as shall be agreed to between the Borrower and the Swing Line Bank at the time of the making of such Swing Line Loans.

(c) *Making of Swing Line Loans*. Promptly after receipt of the Borrowing/Election Notice under Section 2.02(i)(a)(b) in respect of Swing Line Loans, the Swing Line Bank may, in its sole discretion make available its Swing Line Loan, in funds immediately available to the Administrative Agent at its address specified pursuant to Article 14. The Administrative Agent will promptly make the funds so received from the Swing Line Bank available to the Borrower on the Borrowing Date at the Administrative Agent’s aforesaid address.

(d) *Repayment of Swing Line Loans*. Each Swing Line Loan shall be paid in full by the Borrower on or before the fifth (5th) Business Day after the Borrowing Date for such Swing Line Loan. The Borrower may at any time pay, without penalty or premium, all outstanding Swing Line Loans or, in a minimum amount of \$500,000 and increments of \$100,000 in excess thereof, any portion of the outstanding Swing Line Loans, upon notice to the Administrative Agent and the Swing Line Bank. In addition, the Administrative Agent (i) may at any time in its sole discretion with respect to any outstanding Swing Line Loan, or (ii) shall, in the event the Borrower shall not have otherwise repaid such Loan, on the fifth (5th) Business Day after the Borrowing Date of any Swing Line Loan, require each Revolving Lender (including the Swing Line Bank) to make a Revolving Loan in the amount of such Revolving Lender’s Pro Rata Share of such Swing Line Loan, for the purpose of repaying such Swing Line Loan. The making of such Revolving Loans by the Revolving Lenders shall discharge the Borrower’s obligation under the first sentence of this Section 2.02(i)(a)(d) and such failure to pay shall not constitute a Default by the Borrower. Promptly following receipt of notice pursuant to this Section 2.02(i)(a)(d) from the Administrative Agent, each Revolving Lender shall make available its required Revolving Loan or Revolving Loans, in funds immediately available to the Administrative Agent at its address specified pursuant to Article 14. Revolving Loans made pursuant to this Section 2.02(i)(a)(d) shall initially be Floating Rate Loans and thereafter may be continued as Floating Rate Loans or

converted into Eurodollar Rate Loans in the manner provided in [Section 2.09](#) and subject to the other conditions and limitations therein set forth and set forth in this Article 2. Unless a Revolving Lender shall have notified the Swing Line Bank, prior to its making any Swing Line Loan, that any applicable condition precedent set forth in Sections 5.01 and 5.02, as applicable, had not then been satisfied, such Revolving Lender's obligation to make Revolving Loans pursuant to this [Section 2.02\(i\)\(a\)\(d\)](#) to repay Swing Line Loans shall be unconditional, continuing, irrevocable and absolute and shall not be affected by any circumstances, including, without limitation, (A) any setoff, counterclaim, recoupment, defense or other right which such Revolving Lender may have against the Administrative Agent, the Swing Line Bank or any other Person, (B) the occurrence or continuance of a Default or Unmatured Default, (C) any adverse change in the condition (financial or otherwise) of the Borrower or (D) any other circumstances, happening or event whatsoever. In the event that any Revolving Lender fails to make payment to the Administrative Agent of any amount due under this [Section 2.02\(i\)\(a\)\(d\)](#), the Administrative Agent shall be entitled to receive, retain and apply against such obligation the principal and interest otherwise payable to such Revolving Lender hereunder until the Administrative Agent receives such payment from such Revolving Lender or such obligation is otherwise fully satisfied. In addition to the foregoing, if for any reason any Revolving Lender fails to make payment to the Administrative Agent of any amount due under this [Section 2.02\(i\)\(a\)\(d\)](#), such Revolving Lender shall be deemed, at the option of the Administrative Agent, to have unconditionally and irrevocably purchased from the Swing Line Bank, without recourse or warranty, an undivided interest and participation in the applicable Swing Line Loan in the amount of such Revolving Loan, and such interest and participation may be recovered from such Revolving Lender together with interest thereon at the Federal Funds Effective Rate for each day during the period commencing on the date of demand and ending on the date such amount is received. On the Revolving Loan Termination Date, the Borrower shall repay in full the outstanding principal balance of the Swing Line Loans.

Section 2.03 *Rate Options for all Advances; Maximum Interest Periods*

. The Swing Line Loans shall be Floating Rate Loans at all times or shall bear interest at such other rate as may be agreed to between the Borrower and the Swing Line Bank at the time of the making of any such Swing Line Loan. The Revolving Loans and Term Loans may be Floating Rate Loans or Eurodollar Rate Loans, or a combination thereof, selected by the Borrower in accordance with [Section 2.09](#). The Borrower may select, in accordance with [Section 2.09](#), rate options and Interest Periods applicable to the Revolving Loans and Term Loans; provided that there shall be no more than eight (8) Interest Periods in effect with respect to all of the Loans at any time.

Section 2.04 *Prepayment of Loans*

. (a) *Optional Prepayments.* (i) Subject to [clause \(b\)](#) below, the Borrower may from time to time and at any time upon at least one (1) Business Day's prior written notice repay or prepay, without penalty or premium all or any part of outstanding Floating Rate Loans comprising the same Advance in an aggregate minimum amount of \$10,000,000 and in integral multiples of \$1,000,000 in excess thereof. Advances of Eurodollar Rate Loans may be voluntarily repaid or prepaid on or prior to the last day of the applicable Interest Period, subject to the indemnification provisions contained in [Section 4.04](#), provided that the Borrower may not so prepay Eurodollar Rate Loans unless it shall have provided at least three (3) Business Days' prior written notice to the Administrative Agent of such prepayment and provided, further that optional prepayments of Advances of Eurodollar Rate Loans made pursuant to [Section 2.04\(i\)\(a\)](#) shall be for the entire amount of the outstanding Eurodollar Rate Loans that are Revolving Loans of such Advance. Prior to any repayment

amount equal to the excess of (x) an amount equal to the ECF Percentage multiplied by Excess Cash Flow for such fiscal year over (y) the amount of prepayments of Term Loans pursuant to Section 2.04(i)(a)(a)(i) during such fiscal year (other than any such prepayment made with the proceeds of Indebtedness).

(iii) Prior to any optional or mandatory prepayment of Term Loan Advances under this Section, the Borrower shall, subject to the next sentence, specify the Term Loan Advance or Term Loan Advances to be prepaid in the notice of such prepayment. In the event of any mandatory prepayment of Term Loan Advances from a Prepayment Event under clauses (a) or (b) of the definition thereof made at a time when Term Loan Advances of more than one Class remain outstanding, the Borrower shall select Term Loan Advances to be prepaid so that the aggregate amount of such prepayment is allocated among the Term Loan Advances pro rata based on the aggregate principal amounts of outstanding Term Loans of each such Class; provided that to the extent provided in the relevant Incremental Term Loan Amendment or Extension Agreement, any Class of Incremental Term Loans or Extended Term Loans may be paid on a pro rata basis or less than pro rata basis with any other Class of Term Loans. Any prepayment of Loans from a Prepayment Event described in clause (c) of the definition of “**Prepayment Event**” shall be applied to the Class or Classes of Loans selected by the Borrower.

(iv) *Notwithstanding the foregoing*, any Term Lender may elect, by notice to the Administrative Agent by telephone (confirmed by hand delivery or facsimile) at least one Business Day (or such shorter period as may be established by the Administrative Agent) prior to the required prepayment date, to decline all or any portion of any prepayment of its Term Loans pursuant to this Section 2.04 (other than an optional prepayment pursuant to paragraph (a) of this Section or a prepayment pursuant to clause (c) of the definition of “**Prepayment Event**,” which may not be declined), in which case the aggregate amount of the payment that would have been applied to prepay Loans but was so declined may be retained by the Borrower and shall constitute “**Declined Proceeds**.”

(v) The Borrower shall notify the Administrative Agent by telephone (confirmed by hand delivery or facsimile) of any optional prepayment and, to the extent practicable, any mandatory prepayment hereunder (A) in the case of prepayment of a Eurodollar Rate Loan, not later than 11:00 a.m., New York City time, three Business Days before the date of prepayment or (B) in the case of prepayment of a Floating Rate Loan, not later than 11:00 a.m., New York City time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date, the principal amount of each Advance or portion thereof to be prepaid and, in the case of a mandatory prepayment, a reasonably detailed calculation of the amount of such prepayment; provided that a notice of prepayment of Advances pursuant to paragraph (a) of this Section may state that such notice is conditioned upon the occurrence of one or more events specified therein, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified date of prepayment) if such condition is not satisfied. Promptly following receipt of any such notice, the Administrative Agent shall advise the Lenders of the applicable Class of the contents thereof. Each partial prepayment of any Advance shall be in an amount that would be permitted in the case of an advance of an Advance of the same Type as provided in Section 2.02, except as necessary to apply fully the required amount of a mandatory prepayment. Each prepayment of an Advance shall be applied ratably to the Loans included in the prepaid Advance. Prepayments shall be accompanied by accrued interest as required by Section 2.11. In no event (except pursuant to Section 2.05 below)

shall a repayment or a prepayment of a Revolving Loan result in a reduction of the Aggregate Revolving Loan Commitment.

(vi) *Foreign Prepayment Event.* Notwithstanding anything to the contrary contained in Section 2.04(i)(a)(b), mandatory prepayments arising from the receipt of Net Cash Proceeds from any Prepayment Event by or the Excess Cash Flow attributable to any Foreign Subsidiary (each, a “**Foreign Mandatory Prepayment Event**”) shall not be required (A) to the extent the making of any such Foreign Mandatory Prepayment Event (or the repatriation of funds to effect such payment) would give rise to a material adverse Tax consequence (as determined in good faith by the Borrower) or (B) so long as the applicable local law will not permit repatriation thereof to the United States (the Borrower hereby agreeing to use commercially reasonable efforts to cause the applicable Foreign Subsidiary to promptly file any required forms, obtain any necessary consents and take all similar actions reasonably required by the applicable local law to permit such repatriation); provided that if such repatriation of any such affected Net Cash Proceeds or Excess Cash Flow is later permitted under applicable law, such repatriation will, subject to clause (A) above, be effected as promptly as practicable and such repatriated Net Cash Proceeds or Excess Cash Flow, as applicable, will be promptly after such repatriation applied to the repayment of the Term Loans pursuant to Section 2.04(i)(a)(b) to the extent provided herein.

Section 2.05 *Reduction of Revolving Loan Commitments; Expansion Option*

(a) *Reduction of Revolving Loan Commitments.* The Borrower may permanently reduce the Aggregate Revolving Loan Commitment in whole, or in part ratably among the Lenders, in an aggregate minimum amount of \$25,000,000 and integral multiples of \$5,000,000 in excess of that amount (unless the Aggregate Revolving Loan Commitment is reduced in whole), upon at least three (3) Business Days’ prior written notice to the Administrative Agent, which notice shall specify the amount of any such reduction; provided, however, that the amount of the Aggregate Revolving Loan Commitment may not be reduced below the aggregate principal amount of the outstanding Revolving Credit Obligations. All accrued Commitment Fees shall be payable on the effective date of any termination of the obligations of the Revolving Lenders to make Revolving Loans hereunder and all accrued Commitment Fees shall be payable upon any reduction of the Aggregate Revolving Loan Commitment on the amount so reduced.

(b) *Expansion Option.* (i) The Borrower may from time to time after the Funding Date elect to increase the Aggregate Revolving Loan Commitment (each, a “**Revolving Loan Increase**”) or increase the aggregate principal amount of any Class of Term Loans or enter into one or more tranches of term loans (each an “**Incremental Term Loan**”), in each case in minimum amounts of \$50,000,000 and increments of \$10,000,000 so long as, after giving effect thereto, the aggregate amount of such Revolving Loan Increases and such Incremental Term Loans does not exceed (A) \$325,000,000 *plus* (B) an additional amount, so long as, after giving effect to the incurrence of such additional amount (and assuming for such purposes that the entire amount of any such Revolving Loan Increase is fully funded), the pro forma Senior Secured Leverage Ratio does not exceed 2.75 to 1.00, it being understood that the aggregate principal amount of all Revolving Loan Increases, taken as a whole, shall not exceed \$100,000,000. The Borrower may arrange for any such Revolving Loan Increase or Incremental Term Loan to be provided by one or more existing Lenders (each existing Lender so agreeing to an increase in its Revolving Loan Commitment, or to participate in such Incremental Term Loans, an “**Increasing Lender**”), or by one or more new banks, financial institutions or other entities (each such new bank, financial institution or other entity, an “**Augmenting Lender**”), to

increase their existing Revolving Loan Commitments or to participate in such Incremental Term Loans (it being agreed that any Lender approached to provide any such Revolving Loan Increase or Incremental Term Loans may elect or decline, in its sole discretion, to provide such Revolving Loan Increase or Incremental Term Loans); provided that (i) each Augmenting Lender, shall be subject to the approval of the Borrower and the Administrative Agent and, in the case of a Revolving Loan Increase, the Issuing Banks (which consent shall not be unreasonably withheld or delayed), and (ii) with respect to any Revolving Loan Increase, (x) in the case of an Increasing Lender, the Borrower and such Increasing Lender execute an agreement substantially in the form of Exhibit E-1 hereto (each, an “**Increasing Lender Supplement**”), and (y) in the case of an Augmenting Lender, the Borrower and such Augmenting Lender execute an agreement substantially in the form of Exhibit E-2 hereto (each, an “**Augmenting Lender Supplement**”). No consent of any Lender (other than the Lenders participating in the Revolving Loan Increase or Incremental Term Loan) shall be required for any Revolving Loan Increase or Incremental Term Loans pursuant to this Section 2.05(i)(a)(b)(i), as applicable. Revolving Loan Increases and Incremental Term Loans created pursuant to this Section 2.05(i)(a)(b)(i), shall become effective on the date agreed by the Borrower, the Administrative Agent and the relevant Increasing Lenders or Augmenting Lenders, and the Administrative Agent shall notify each Lender thereof. Incremental Term Loans may be made hereunder pursuant to an amendment or an amendment and restatement (an “**Incremental Term Loan Amendment**”) of this Agreement and, as appropriate, the other Loan Documents, executed by the Borrower, each Increasing Lender participating in such tranche, each Augmenting Lender participating in such tranche, if any, and the Administrative Agent. The Incremental Term Loan Amendment may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent, to effect the provisions of this Section 2.05(i)(a)(b). Notwithstanding the foregoing, no increase in the Aggregate Revolving Loan Commitment (or in the Revolving Loan Commitment of any Lender) or Incremental Term Loans shall become effective under this paragraph unless:

- (1) on the proposed date of the effectiveness of such increase or Incremental Term Loans, the conditions set forth in paragraphs (a) and (b) of Section 5.02 shall be satisfied or waived by the Required Lenders; provided that if the proceeds of such Incremental Term Loans are being used to finance a Limited Condition Acquisition, (i) the condition set forth in such paragraph (a) shall be satisfied or waived by the Required Lenders as of the date the definitive acquisition agreements for such Limited Condition Acquisition are entered into and (ii) the condition set forth in such paragraph (b) shall be limited to the accuracy of the Specified Representations, and the Administrative Agent shall have received a certificate to that effect dated such date and executed by an Authorized Officer of the Borrower; and
- (2) the Administrative Agent shall have received documents consistent with those delivered pursuant to Sections 5.01 and 5.02 as to the corporate power and authority of the Borrower to borrow hereunder after giving effect to such increase (including, without limitation, opinions of

environmental compliance, hazard or liability), and to discuss their affairs, finances and accounts with their officers and independent certified public accountants, all upon reasonable notice and at such reasonable times during normal business hours, as often as may be reasonably requested (provided that an officer of the Borrower or any of its Restricted Subsidiaries may, if it so desires, be present at and participate in any such discussion). The Borrower shall keep and maintain, and cause each of the Borrower's Restricted Subsidiaries to keep and maintain, in all material respects, proper books of record and account in which entries in conformity with GAAP shall be made of all dealings and transactions in relation to their respective businesses and activities. If a Default has occurred and is continuing, the Borrower, upon the Administrative Agent's request, shall turn over copies of any such records to the Administrative Agent or its representatives.

(g) *ERISA Compliance.* The Borrower shall, and shall cause each of the Borrower's Restricted Subsidiaries to, establish, maintain and operate all Plans to comply in all material respects with the provisions of ERISA and shall operate all Plans and Non-ERISA Commitments to comply in all material respects with the applicable provisions of the Code, all other applicable laws, and the regulations and interpretations thereunder and the respective requirements of the governing documents for such Plans and Non-ERISA Commitments, except for any noncompliance which, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

(h) *Maintenance of Property.* The Borrower shall cause all property (tangible and intangible, real or personal) necessary for the conduct of its business or the business of any Restricted Subsidiary to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment, as applicable, and shall cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, except, individually or in the aggregate, as could not reasonably be expected to have a Material Adverse Effect.

(i) *Environmental Compliance.* The Borrower and its Restricted Subsidiaries shall comply with all Environmental, Health or Safety Requirements of Law, except where noncompliance will not subject, and is not reasonably likely to subject, the Borrower or any of its Restricted Subsidiaries to liability, individually or in the aggregate, in excess of \$25,000,000.

(j) *Use of Proceeds.* The Borrower will use the proceeds of the Loans and Letters of Credit only for the purposes set forth in Section 6.22. The Borrower will use the proceeds of the 2016 New Term Loans made on the 2016 New Term Loan Amendment Funding Date for the purposes set forth in Section 6.22.

(k) *Additional Subsidiaries.* If any additional Subsidiary (other than an Excluded Subsidiary) is formed or acquired, after the Funding Date (or any Excluded Subsidiary ceases to constitute an Excluded Subsidiary), the Borrower will promptly notify the Administrative Agent thereof and will, as promptly as practicable, and in any event within thirty (30) days or, with respect to Mortgaged Property held by such Subsidiary and specifically the items required by subsection (v) of the definition of Collateral and Guarantee Requirement relating thereto, ninety (90) days (or such longer period as the Administrative Agent may agree in writing) after such Subsidiary is formed or acquired (or any Excluded Subsidiary ceases to constitute an Excluded Subsidiary) cause the Collateral and Guarantee Requirement to be satisfied with respect to such Subsidiary and with respect to any Equity Interests in or Indebtedness of such Subsidiary owned by or on behalf of any Loan Party; provided, however, that in connection with the acquisition by

Borrower of Handstands Holding Corporation, neither Borrower nor any Subsidiary Guarantor shall be required to record any IP Security Agreements with the United States Patent and Trademark Office or the United States Copyright Office, as applicable, until thirty (30) days after the completion of the Permitted Reorganization Transactions.

(l) *Further Assurances.* The Borrower shall, and shall cause each other Loan Party to, execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements, fixture filings, mortgages, deeds of trust and other documents) that are required under the Collateral Documents or this Agreement to cause the Collateral and Guarantee Requirement to be and remain satisfied at all times (subject to the last paragraph of the Collateral and Guarantee Requirement definition). The Borrower shall provide to the Administrative Agent, from time to time upon reasonable request, evidence reasonably satisfactory to the Administrative Agent as to the perfection and priority of the Liens created or intended to be created by the Collateral Documents.

(m) *Maintenance of Ratings.* The Borrower shall use commercially reasonable efforts to maintain continuously in effect a public corporate rating from S&P and a public corporate family rating from Moody's, in each case in respect of the Borrower, and a public rating of the Closing Date Term Loans by each of S&P and Moody's, it being understood that there is no obligation to maintain any particular rating at any time.

(n) *Pledge of Capital Stock.* The Loan Parties shall pledge or cause to be pledged all of the issued and outstanding Capital Stock of each Subsidiary held by a Loan Party to the extent required to meet the Collateral and Guarantee Requirement (other than any Excluded Assets (as defined in the applicable Collateral Documents)) in accordance with, and to the extent required by, the requirements of the Collateral Documents to the Collateral Agent for the benefit of the Credit Parties to secure the Obligations.

(o) *Designation of Restricted Subsidiaries.* The Borrower may at any time designate any Restricted Subsidiary of the Borrower as an Unrestricted Subsidiary; provided that (i) immediately before and after such designation, no Default shall have occurred and be continuing (or, in the case of a designation that is necessary or advisable (as determined by the Borrower in good faith) for the consummation of a Limited Condition Acquisition, no Default exists as of the date the definitive acquisition agreements for such Limited Condition Acquisition are entered into), (ii) immediately after giving effect to such designation, the Borrower shall be in compliance on a pro forma basis with the financial covenants set forth in Section 7.04, and, as a condition precedent to the effectiveness of any such designation, the Borrower shall deliver to the Administrative Agent a certificate setting forth in reasonable detail the calculations demonstrating compliance with such financial covenants and (iii) no Subsidiary may be designated as an Unrestricted Subsidiary if it is a "Restricted Subsidiary" for the purpose of any Specified Indebtedness. The designation of any Subsidiary as an Unrestricted Subsidiary after the Funding Date shall constitute (A) an Investment by the Borrower therein at the date of designation in an amount equal to the fair market value of the Borrower's or its Restricted Subsidiaries' (as applicable) Investments therein and (B) the incurrence at the time of designation of any Indebtedness or Liens of such Subsidiary existing at such time.

consummate, a Permitted Acquisition or (ii) incurred in an aggregate principal amount outstanding at any one time not to exceed \$50,000,000 (measured at the time of incurrence);

(xxii) Indebtedness to the extent that the Net Proceeds thereof are promptly deposited to defease or to satisfy and discharge the Senior Notes in each case in accordance with the requirements of the Senior Note Indenture; [and](#)

(xxiii) the Separation Obligations; ~~and.~~

~~(xxiv) Indebtedness under any Permitted Receivables Financing incurred on or after the Funding Date in an aggregate amount at any time outstanding not to exceed \$75,000,000.~~

The Borrower will not, and will not permit any Restricted Subsidiary to, issue any Disqualified Stock, other than, in the case of the Restricted Subsidiaries, to the Borrower or any other Restricted Subsidiary; provided that any issuance of Equity Interests of any Restricted Subsidiary that is not a Loan Party to any Loan Party shall be subject to [Section 7.03\(d\)](#).

(b) *Liens.* The Borrower will not, and will not permit any Restricted Subsidiary to, create, incur, assume or permit to exist any Lien on any asset now owned or hereafter acquired, except:

(i) Liens created under the Loan Documents;

(ii) Permitted Encumbrances;

(iii) any Lien on any asset of the Borrower or any Restricted Subsidiary existing on the Escrow Date and set forth on [Schedule 7.03\(b\)](#); provided that (A) such Lien shall not apply to any other asset of the Borrower or any Restricted Subsidiary and (B) such Lien shall secure only those obligations that it secures on the Escrow Date and any extensions, renewals and refinancings thereof that do not increase the outstanding principal amount thereof;

(iv) any Lien existing on any asset prior to the acquisition thereof by the Borrower or any Restricted Subsidiary or existing on any asset of any Person that becomes (including pursuant to a Permitted Acquisition) a Restricted Subsidiary (or of any Person not previously a Restricted Subsidiary that is merged or consolidated with or into a Restricted Subsidiary in a transaction permitted hereunder) after the Escrow Date prior to the time such Person becomes a Restricted Subsidiary (or is so merged or consolidated); provided that (A) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Restricted Subsidiary (or such merger or consolidation), (B) such Lien shall not apply to any other assets of the Borrower or any Restricted Subsidiary (other than, in the case of any such merger or consolidation, the assets of any special purpose merger Restricted Subsidiary that is a party thereto) and (C) such Lien shall secure only those obligations that it secures on the date of such acquisition or the date such Person becomes a Restricted Subsidiary (or is so

merged or consolidated), and any extensions, renewals and refinancings thereof that do not increase the outstanding principal amount thereof;

(v) Liens on fixed or capital assets acquired, constructed or improved by the Borrower or any Restricted Subsidiary; provided that (A) such Liens secure only Indebtedness permitted by Section 7.03(a)(v) and obligations relating thereto not constituting Indebtedness and (B) such Liens shall not apply to any other asset of the Borrower or any Restricted Subsidiary (other than after-acquired property that is (a) affixed or incorporated into the property covered by such Lien, (b) subject to a Lien securing such Indebtedness, the terms of which Indebtedness requires or includes a pledge of after-acquired property and (c) the proceeds and products thereof); provided, further, that in the event purchase money obligations are owed to any Person with respect to financing of more than one purchase of any fixed or capital assets, such Liens may secure all such purchase money obligations and may apply to all such fixed or capital assets financed by such Person;

(vi) in connection with the sale or transfer of any Equity Interests or other assets in a transaction permitted under Section 7.03(e), customary rights and restrictions contained in agreements relating to such sale or transfer pending the completion thereof;

(vii) in the case of (A) any Restricted Subsidiary that is not a wholly owned Restricted Subsidiary or (B) the Equity Interests in any Person that is not a Restricted Subsidiary, any encumbrance or restriction, including any put and call arrangements, related to Equity Interests in such Restricted Subsidiary or such other Person set forth in the organizational documents of such Restricted Subsidiary or such other Person or any related joint venture, shareholders' or similar agreement;

(viii) Liens solely on any cash earnest money deposits, escrow arrangements or similar arrangements made by the Borrower or its Restricted Subsidiary in connection with any letter of intent or purchase agreement for a Permitted Acquisition or other transaction permitted hereunder;

(ix) ~~Liens on Capital Stock and assets of any Securitization Subsidiary incurring obligations under a Permitted Receivables Financing arising from UCC financing statement filings in connection with any supply chain finance programs or other receivables sale transactions~~ permitted under Section 7.03(d)(xxivix);

(x) any Lien on assets of any Foreign Subsidiary; provided that such Lien shall secure only Indebtedness of such Foreign Subsidiary permitted by Section 7.03(a) and obligations relating thereto not constituting Indebtedness;

(xi) Liens created in connection with the Spin Transaction; and

(xii) other Liens securing Indebtedness or other obligations in an aggregate principal amount not to exceed the greater of (i) \$25,000,000 and 2.5% Consolidated Tangible Assets at any time outstanding.

(x) Investments made as a result of receipt of noncash consideration from a sale, transfer or other disposition of assets permitted under Section 7.03(e)(viii);

(xi) Investments in the form of Swap Agreements permitted under Section 7.03(m);

(xii) Investments constituting deposits described in clauses (iii) and (iv) of the definition of “Permitted Encumbrances” and endorsements of instruments for collection or deposit in the ordinary course of business;

(xiii) ~~Investments in a Securitization Subsidiary that are necessary or desirable to effect any Permitted Receivables Financing;~~[Reserved].

(xiv) Investments by a Restricted Subsidiary of the Borrower that is not a Loan Party in any Loan Party or in any other such Restricted Subsidiary that is also not a Loan Party;

(xv) other Investments in an amount not to exceed the Available Amount; provided that, at the time each such Investment is made no Default shall have occurred and be continuing or would result therefrom (or, in the case of an Investment that is necessary or advisable (as determined by the Borrower in good faith) for the consummation of a Limited Condition Acquisition, no Default exists as of the date the definitive acquisition agreements for such Limited Condition Acquisition are entered into); ~~and~~

(xvi) other Investments in an aggregate amount not to exceed the greater of (i) \$25,000,000 and (ii) 2.5% Consolidated Tangible Assets at any time outstanding; ~~and~~

(xvii) Investments made in connection with the Permitted Reorganization Transactions.

For the purposes of this Section, any unreimbursed payment by the Borrower or any Restricted Subsidiary for goods or services delivered to any Subsidiary shall be deemed to be an Investment in such Subsidiary.

(e) *Asset Sales*. The Borrower will not, and will not permit any Restricted Subsidiary to, sell, transfer, lease or otherwise dispose of any asset, including any Equity Interest owned by it, nor will the Borrower permit any Restricted Subsidiary to issue any additional Equity Interests in such Restricted Subsidiary (other than to the Borrower or any other Restricted Subsidiary in compliance with Section 7.03(d), and other than directors’ qualifying shares and other nominal amounts of Equity Interests that are required to be held by other Persons under applicable law), except:

(i) (A) sales of inventory, (B) sales, transfers and other dispositions of used, surplus, obsolete or outmoded machinery or equipment and (C) dispositions of cash and Cash Equivalents, in each case (other than in the case of clause (c)) in the ordinary course of business;

(ii) sales, transfers, leases and other dispositions to the Borrower or any Restricted Subsidiary; provided that any such sales, transfers, leases or other dispositions involving a Restricted Subsidiary that is not a Loan Party shall be made in compliance with [Section 7.03\(d\)](#) and [Section 7.03\(i\)](#);

(iii) the sale or discount of accounts receivable arising in the ordinary course of business, but only in connection with the compromise or collection thereof and not in connection with any financing transaction ([other than transactions permitted under Section 7.03\(e\)\(ix\)](#));

(iv) dispositions of assets subject to any casualty or condemnation proceeding (including in lieu thereof);

(v) leases or subleases of real property granted by the Borrower or any of its Restricted Subsidiary to third Persons not interfering in any material respect with the business of the Borrower or any Restricted Subsidiary;

(vi) the sale, transfer or other disposition of patents, trademarks, copyrights and other Intellectual Property (as defined in the Collateral Agreement) (A) in the ordinary course of business, including pursuant to non-exclusive licenses of any Intellectual Property, or (B) which, in the reasonable judgment of the Borrower or any of its Restricted Subsidiary, are determined to be uneconomical, negligible, unused or obsolete in the conduct of business;

(vii) dispositions of assets in respect of Sale-Leaseback Transactions in an amount not to exceed \$50,000,000;

(viii) sales, transfers and other dispositions of assets that are not permitted by any other clause of this Section; provided that (A) such sales, transfers and other dispositions shall be made for fair value, (B) at least 75.0% of the consideration for such sales, transfers and other dispositions shall consist of cash or Cash Equivalents; provided that for purposes of the foregoing, the amount of (x) any liabilities (as shown on the Borrower's most recent balance sheet or in the notes thereto) of the Borrower or any Restricted Subsidiary (other than liabilities that are by their terms subordinated to the Secured Obligations) that are assumed by the transferee of any such assets and from which the Borrower and all Restricted Subsidiaries have been validly released by all creditors in writing, (y) any securities received by the Borrower or such Restricted Subsidiary from such transferee that are converted by the Borrower or such Restricted Subsidiary into cash (to the extent of the cash received) within ninety (90) days following the closing of such disposition, and (z) any Designated Noncash Consideration received by the Borrower or any of its Restricted Subsidiaries in such asset sale having an aggregate fair market value, taken together with all other Designated Noncash Consideration received pursuant to this [clause \(b\)](#) that is at that time outstanding, not to exceed \$10,000,000, shall be deemed to be cash for purposes of this paragraph and for no other purpose, (C) the proceeds of such sale, transfer or other distribution shall be applied to the extent required under [Section 2.04\(b\)\(ii\)](#) and (D) the aggregate proceeds of all such sales, transfers and other distributions in reliance on this [clause \(vii\)](#) during any fiscal year

of the Borrower shall not exceed 10.0% of Consolidated Assets as of the last day or the immediately preceding year; and

(ix) dispositions of accounts receivable and related assets ~~to a Securitization Subsidiary~~ in connection with ~~a Permitted Receivables Financing~~ any supply chain finance programs or other receivables sale transactions, provided that the aggregate outstanding balance of accounts receivable so sold by the Borrower and any Restricted Subsidiaries during any fiscal quarter of the Borrower shall not exceed \$25,000,000.

(f) [Reserved].

(g) [Reserved].

(h) *Restricted Payments; Certain Payments of Indebtedness.* (i) The Borrower will not, and will not permit any Restricted Subsidiary to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except that (A) the Borrower may declare and pay dividends with respect to its Equity Interests payable solely in additional Equity Interests (other than Disqualified Stock) of the Borrower, (B) any Restricted Subsidiary may declare and pay dividends or make other distributions with respect to its Equity Interest, or make other Restricted Payments in respect of its Equity Interests, in each case ratably to the holders of such Equity Interests (or, if not ratably, on a basis more favorable to the Borrower and the Restricted Subsidiaries), (C) the Borrower may make Restricted Payments, not exceeding \$5,000,000 during any fiscal year of the Borrower, pursuant to and in accordance with stock option plans or other benefit plans for management or employees of the Borrower and the Restricted Subsidiaries (with any unused amount available in the following fiscal year only), (D) the Borrower may repurchase Equity Interests (i) upon the exercise of stock options, deferred stock units and restricted shares to the extent such Equity Interests represent a portion of the exercise price of such stock options, deferred stock units or restricted shares and (ii) in connection with the withholding of a portion of the Equity Interests granted or awarded to a director or an employee to pay for the taxes payable by such director or employee upon such grant or award, (E) the Borrower may make cash payments in lieu of the issuance of fractional shares representing insignificant interests in the Borrower in connection with the exercise of warrants, options or other securities convertible into or exchangeable for shares of common stock in the Borrower, (F) so long as no Default has occurred and is continuing, the Borrower may declare and make Restricted Payments in an aggregate amount not to exceed \$80,000,000 in any fiscal year in respect of dividends on the Borrower's common stock, (G) so long as no Default has occurred and is continuing as of the date such dividend is declared (or, in the case of a Restricted Payment that is necessary or advisable (as determined by the Borrower in good faith) for the consummation of a Limited Condition Acquisition, no Default exists as of the date the definitive acquisition agreements for such Limited Condition Acquisition are entered into), the Borrower may make additional Restricted Payments in an amount not to exceed the Available Amount and (H) the Borrower may make additional Restricted Payments; provided that at the time of and immediately after giving effect to any such Restricted Payment referred to in this clause (H), (1) no Default shall have occurred and be continuing or would result therefrom (or, in the case of a Restricted Payment that is necessary or advisable (as determined by the Borrower in good faith) for the consummation of a Limited Condition Acquisition, no Default exists as of the date the definitive acquisition agreements for such Limited Condition Acquisition are entered into) and (2) after giving effect to such Restricted Payment and any related transaction on a pro

behalf of, directors and officers of the Borrower or any Restricted Subsidiary, as determined by the Board of Directors of the Borrower in good faith, (v) the Spin Transaction and any agreements entered into pursuant thereto, (vi) the transactions described in Schedule 7.03(i), (vii) any reasonable or customary employment, consulting, service, severance, termination agreement, employee benefit plan, compensation arrangement, indemnification arrangement, or any similar arrangement entered into by the Borrower or a Restricted Subsidiary with a current or former director, officer or employee of the Borrower or a Restricted Subsidiary and payments related thereto; or any issuance of securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment agreements and other compensation arrangements, options to purchase Capital Stock of the Borrower, restricted stock plans, restricted stock unit plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits plans and/or indemnity provided on behalf of directors, officers and employees of the Borrower or a Restricted Subsidiary approved by the Board of Directors of the Borrower, (viii) (x) reimbursement of employee travel and lodging costs and other business expenses incurred in the ordinary course of business and (y) loans and advances to employees made in the ordinary course of business in compliance with applicable laws and consistent with the past practices of the Borrower or that Restricted Subsidiary, as the case may be; and (ix) pledges of equity interests of Unrestricted Subsidiaries to secure Indebtedness of such Unrestricted Subsidiaries; ~~and (x) transactions entered into as part of a Permitted Receivables Financing on customary terms (as determined by the Borrower's Board of Directors).~~

(j) *Restrictive Agreements.* The Borrower will not, and will not permit any Restricted Subsidiary to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that restricts or imposes any condition upon (i) the ability of the Borrower or any Restricted Subsidiary to create, incur or permit to exist any Lien upon any of its assets to secure the Obligations or (ii) the ability of any Restricted Subsidiary to pay dividends or other distributions with respect to its Equity Interests or to make or repay loans or advances to the Borrower or to Guarantee the Obligations; provided that (x) the foregoing shall not apply to (A) restrictions and conditions imposed by law or by any Loan Document, (B) restrictions and conditions existing on the Escrow Date identified in Schedule 7.03(j) (but shall apply to any amendment or modification), (C) customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary pending such sale, provided that such restrictions and conditions apply only to the Subsidiary that is to be sold and such sale is permitted hereunder, (D) in the case of any Restricted Subsidiary that is not a wholly owned Restricted Subsidiary, restrictions and conditions imposed by its organizational documents or any related joint venture or similar agreement, provided that such restrictions and conditions apply only to such Restricted Subsidiary and to any Equity Interests in such Restricted Subsidiary, (E) restrictions and conditions set forth in the Senior Note Indenture, Permitted Debt and permitted Refinancings of each of the foregoing, provided that such restrictions and conditions are no more onerous than those set forth in the Senior Notes Indenture as in effect on the Escrow Date, (F) restrictions and conditions imposed by agreements relating to Indebtedness of Restricted Subsidiaries that are not Loan Parties permitted under Section 7.03(a), (G) restrictions and conditions with respect to cash to secure letters of credit and other segregated deposits that are permitted pursuant to Section 7.03(b)(viii), (H) restrictions and conditions with respect to the disposition or distribution of assets or property in joint venture agreements and other similar agreements entered into in the ordinary course of business; (I) restrictions and conditions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business; (J)

restrictions and conditions arising or agreed to in the ordinary course of business, not relating to any Indebtedness, and that do not, individually or in the aggregate, detract from the value of property or assets of the Borrower or any Restricted Subsidiary thereof in any manner material to the Borrower or any Restricted Subsidiary thereof; (K) restrictions and conditions contained in Hedging Obligations; and (L) customary restrictions and conditions with respect to ~~a Securitization Subsidiary, pursuant to the terms of a Permitted Receivables Financing, any supply chain finance programs or other receivables sale transactions permitted under Section 7.03(e)(ix).~~ (y) clause (i) of the foregoing shall not apply to (A) restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by Section 7.03(a) if such restrictions or conditions apply only to the assets securing such Indebtedness and (B) customary provisions in leases and other agreements restricting the assignment thereof and (z) clause (ii) of the foregoing shall not apply to restrictions and conditions imposed by agreements relating to Indebtedness of any Restricted Subsidiary in existence at the time such Restricted Subsidiary became a Restricted Subsidiary and otherwise permitted under Section 7.03(a) (but shall apply to any amendment or modification expanding the scope of, any such restriction or condition), provided that such restrictions and conditions apply only to such Restricted Subsidiary. Nothing in this paragraph shall be deemed to modify the requirements set forth in the definition of the term **“Collateral and Guarantee Requirement”** or the obligations of the Loan Parties under Sections 7.02(k), 7.02(l) or 7.02(p) or under the Collateral Documents.

(k) *Amendment of Organizational Documents.* The Borrower will not, or will permit any Restricted Subsidiary to, amend, modify or waive any of its rights under its articles or certificate of incorporation, by-laws or other organizational documents, in either case, to the extent such amendment, modification or waiver would be adverse in any material respect to the rights or interests of the Lenders hereunder or under any other Loan Document.

(l) *Changes in Fiscal Periods.* The Borrower will not change its fiscal year or its method of determining fiscal quarters.

(m) *Swap Agreements.* The Borrower will not, and will not permit any Restricted Subsidiary to, enter into any Swap Agreement, other than Swap Agreements entered into in the ordinary course of business to hedge or mitigate risks to which the Borrower or a Restricted Subsidiary is exposed in the conduct of its business or the management of its liabilities and not for speculative purposes.

(n) *Margin Regulations; Use of Proceeds.* Neither the Borrower nor any of its Subsidiaries, shall use all or any portion of the proceeds of any credit extended under this Agreement (i) to purchase or carry Margin Stock in violation of any of the regulations of the Board, including Regulations T, U and X. The Borrower will not request any Loan, and the Borrower shall not use, and shall procure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Loan (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY SUCH ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH IN ANY JURISDICTION SET FORTH ABOVE.

(d) **WAIVER OF JURY TRIAL.** EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, ARISING OUT OF, CONNECTED WITH, RELATED TO OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH. EACH OF THE PARTIES HERETO AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

(e) *ADVICE OF COUNSEL.* EACH OF THE PARTIES REPRESENTS TO EACH OTHER PARTY HERETO THAT IT HAS DISCUSSED THIS AGREEMENT AND, SPECIFICALLY, THE PROVISIONS OF SECTION 10.07 AND THIS SECTION 10.13, WITH ITS COUNSEL.

Section 10.14 *Release of Liens and Guarantees*

. A Subsidiary Guarantor shall automatically be released from its obligations under the Loan Documents, and all security interests created by the Collateral Documents in Collateral owned by such Subsidiary Guarantor shall be automatically released, upon the consummation of any transaction permitted by this Agreement as a result of which such Subsidiary Guarantor ceases to be a Restricted Subsidiary (including any voluntary liquidation or dissolution of such Subsidiary Guarantor in accordance with [Section 7.03\(c\)](#)); provided that, if so required by this Agreement, the Required Lenders shall have consented to such transaction and the terms of such consent shall not have provided otherwise. Upon any sale or other transfer by any Loan Party (other than to the Borrower or any other Loan Party) of any Collateral in a transaction permitted under this Agreement, or upon the effectiveness of any written consent to the release of the security interest created under any Collateral Document in any Collateral pursuant to [Section 9.03](#), the security interests in such Collateral created by the Collateral Documents shall be automatically released. In connection with any termination or release pursuant to this [Section 10.14](#), the Administrative Agent shall execute and deliver to any Loan Party, at such Loan Party's expense, all documents that such Loan Party shall reasonably request to evidence such termination or release. In connection with any supply chain finance programs or other receivables sale transactions permitted by [Section 7.03\(e\)\(ix\)](#), the Administrative Agent shall execute and deliver to Borrower or any Restricted Subsidiary, at Borrower's expense, a Release substantially in the form of Exhibit L attached hereto, or any other documents that Borrower or such Restricted Subsidiary shall reasonably request, evidencing the release of the Administrative Agent's lien on the applicable receivables and related assets. Any execution and delivery of documents pursuant to this Section shall be without recourse to or warranty by the Administrative Agent.

Section 10.15 *Interest Rate Limitation*

. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts that are treated as interest on such Loan under applicable law (collectively the “**Charges**”), shall exceed the maximum lawful rate (the “**Maximum Rate**”) that may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

Section 10.16 *Acknowledgement and Consent to Bail-In of EEA Financial Institutions.* Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Lender that is an EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by (a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender that is an EEA Financial Institution; and (b) the effects of any Bail-in Action on any such liability, including, if applicable: (i) a reduction in full or in part or cancellation of any such liability; (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or (iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

ARTICLE 11 THE ADMINISTRATIVE AGENT

Section 11.01 *Appointment and Authorization*

. Each of the Lenders and each Issuing Bank hereby irrevocably appoints the Administrative Agent as its administrative agent and collateral agent and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof, together with such actions and powers as are reasonably incidental thereto.

Section 11.02 *Administrative Agent and Affiliates*

. The bank serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if it were not the Administrative Agent hereunder.

Section 11.03 *Action by Administrative Agent and Liability of Administrative Agent*

. The Administrative Agent shall not have any duties or obligations except those expressly set forth herein. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other

Exhibit L

FORM OF LIMITED RELEASE OF LIENS

[_____, 20__]

[NAME OF ENTITY SELLING RECEIVABLES]

c/o Energizer Holdings, Inc.
533 Maryville University Drive
St. Louis, Missouri 63141

Limited Release of Liens (the "Release")

Ladies and Gentlemen:

Reference is made to (i) the Credit Agreement dated June 30, 2015, among Energizer Holdings, Inc. (the "Borrower"), JPMorgan Chase Bank, N.A., as Administrative Agent (in such capacity, the "Administrative Agent"), and the Lenders party thereto (as amended through the date hereof and as the same may be amended, modified or restated, the "Credit Agreement") and (ii) the Guarantee and Collateral Agreement dated June 30, 2015, by and among the Borrower, the Guarantors (as defined therein) party thereto, and the Administrative Agent (as amended through the date hereof and as the same may be amended, modified or restated, the "Collateral Agreement"). Unless the context clearly expresses otherwise, capitalized terms used in this Release which are not defined in this Release shall have the meanings as given to such terms in the Credit Agreement.

[NAME OF ENTITY SELLING RECEIVABLES] ("Seller") intends to sell or otherwise transfer certain accounts receivables and related assets (the "Receivables") to [NAME OF ENTITY BUYING RECEIVABLES] ("Buyer") at a discount pursuant to a [Receivables Purchase Agreement, dated _____, 20__] between the Seller and the Buyer (the "Purchase Agreement"). The Seller has granted a security interest in the Receivables to the Administrative Agent pursuant to the Collateral Agreement. The Administrative Agent is permitted to execute this Release pursuant to Section 10.14 of the Credit Agreement.

The Administrative Agent hereby releases its security interest in the Receivables effective simultaneously with the sale, transfer or other conveyance of such Receivables by the Buyer to the Seller under the Purchase Agreement. Upon request by Borrower or Seller, and at the expense of Borrower and Seller, the Administrative Agent will file UCC-3 statements with the applicable filing offices which evidence the release of its security interest in the Receivables.

This Release may be amended only by a written agreement, fully executed and delivered by the Borrower and the Administrative Agent. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE

STATE OF NEW YORK. Each of the undersigned acknowledges and agrees that the Buyer is and shall be a third party beneficiary of the agreements arising under this Release.

Very truly yours,

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

By: _____

Title: _____

Acknowledged and Agreed to As of the Date of this Letter Above

ENERGIZER HOLDINGS, INC.

By: _____

Title: _____

[FORM OF] INCREASING LENDER SUPPLEMENT

INCREASING LENDER SUPPLEMENT, dated _____, 2016 (this “**Supplement**”), by and among each of the signatories hereto, to that certain Credit Agreement, dated as of June 30, 2015 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”) by and among Energizer Holdings, Inc. (the “**Borrower**”), the financial institutions from time to time parties thereto as lenders (the “**Lenders**”), the issuing banks from time to time parties thereto and JPMorgan Chase Bank, N.A., as administrative agent (the “**Administrative Agent**”).

WITNESSETH

WHEREAS, pursuant to Section 2.05(b) of the Credit Agreement, the Borrower has the right, subject to the terms and conditions thereof, to effectuate from time to time an increase in the Aggregate Revolving Loan Commitment and/or one or more tranches of Incremental Term Loans under the Credit Agreement by requesting one or more Lenders to increase the amount of its Revolving Loan Commitment and/or to participate in such a tranche;

WHEREAS, the Borrower has given notice to the Administrative Agent of its intention to increase the Aggregate Revolving Loan Commitment pursuant to such Section 2.05(b);

WHEREAS, pursuant to Section 2.05(b) of the Credit Agreement, the undersigned Increasing Lenders now desire to increase the amount of their respective Revolving Loan Commitment under the Credit Agreement by executing and delivering to the Borrower and the Administrative Agent this Supplement; and

WHEREAS, J.P. Morgan Securities LLC (the “**Lead Arranger**”) has agreed to act as sole lead arranger and bookrunner with respect to the Revolving Commitment Increases (as defined below);

NOW, THEREFORE, each of the parties hereto hereby agrees as follows:

1. Each undersigned Increasing Lender agrees, subject to the terms and conditions of the Credit Agreement, that upon the satisfaction of the conditions set forth in Section 2 it shall have its Revolving Loan Commitment increased by the amount set forth opposite such Increasing Lender’s name under the heading “Revolving Commitment Increase” in Schedule 1 hereto (with respect to each Increasing Lender, its “**Revolving Commitment Increase**”), thereby making the aggregate amount of its total Revolving Loan Commitments equal to the amount set forth under the heading “Resulting Revolving Loan Commitment” in such schedule.

2. Each Revolving Commitment Increase shall become effective on the date (the “**Revolving Commitment Increase Effective Date**”) when each of the following conditions shall have been satisfied:

(a) the Lead Arranger shall have received all fees and other amounts due and payable on or prior to such date including: (i) fees, disbursements and charges of counsel to the Lead

[Signature Page to Amendment No. 2]

Arranger under Section 10.07 of the Credit Agreement, including to the extent invoiced, reimbursement or payment of all reasonable and documented out-of-pocket expenses required to be reimbursed or paid by the Borrower under that certain Engagement Letter, dated as of June [], 2016, by and between the Borrower and the Lead Arranger and (ii) all fees due and payable to Lead Arranger on such date in connection with the Revolving Commitment Increases and the agreements of the Increasing Lenders and the Lead Arranger hereunder; and

(b) the Administrative Agent shall have received:

(i) a certificate, in form and substance satisfactory to the Administrative Agent signed by an Authorized Officer of the Borrower, certifying the accuracy of the representation and warranty set forth in Section 3 as of such date;

(ii) the written opinion of the Loan Parties' counsel, addressed to the Administrative Agent and the Increasing Lenders, in substantially a form and containing assumptions and qualifications acceptable to the Administrative Agent and its counsel;

(iii) copies of the Certificate of Incorporation of each Loan Party, together with all amendments and a certificate of good standing, both certified by the appropriate governmental officer in its jurisdiction of incorporation;

(iv) copies, certified by the Secretary or Assistant Secretary of each of the Loan Parties, of its By-Laws and of its Board of Directors' (or similar body) resolutions authorizing the execution of the Loan Documents entered into by it; and

(v) an incumbency certificate, executed by the Secretary or Assistant Secretary of each of the Loan Parties, which shall identify by name and title and bear the original or facsimile signature of the officers of the Loan Parties authorized to sign this Supplement and the officers of the Borrower authorized to make borrowings under the Credit Agreement, upon which certificate the Increasing Lenders shall be entitled to rely until informed of any change in writing by the Borrower.

3. The Borrower hereby represents and warrants that no Default or Unmatured Default has occurred and is continuing on and as of the date hereof.

4. Terms defined in the Credit Agreement shall have their defined meanings when used herein.

5. This Supplement shall be governed by, and construed in accordance with, the laws of the State of New York.

6. This Supplement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same document.

IN WITNESS WHEREOF, each of the undersigned has caused this Supplement to be executed and delivered by a duly authorized officer on the date first above written.

[INSERT NAME OF INCREASING LENDER]

By: _____
Name:
Title:

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

ENERGIZER HOLDINGS, INC.

By: _____
Name:
Title:

Acknowledged as of the date first written above:

JPMORGAN CHASE BANK, N.A.

as Administrative Agent

By: _____
Name:
Title:

Increasing Lender Supplement Commitments

Increasing Lender	Revolving Commitment Increase	Resulting Revolving Loan Commitment
[Increasing Lender Name]	\$[_____]	\$[_____]
Total:	\$[_____]	\$[_____]

[FORM OF] AUGMENTING LENDER SUPPLEMENT

AUGMENTING LENDER SUPPLEMENT, dated _____, 2016 (this “**Supplement**”), to that certain Credit Agreement, dated as of June 30, 2015 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”) by and among Energizer Holdings, Inc. (the “**Borrower**”), the financial institutions from time to time parties thereto as lenders (the “**Lenders**”), the issuing banks from time to time parties thereto and JPMorgan Chase Bank, N.A., as administrative agent (the “**Administrative Agent**”).

WITNESSETH

WHEREAS, the Credit Agreement provides in Section 2.05(b) thereof that any bank, financial institution or other entity may extend Revolving Loan Commitments under the Credit Agreement subject to the approval of the Borrower and the Administrative Agent, by executing and delivering to the Borrower and the Administrative Agent a supplement to the Credit Agreement in substantially the form of this Supplement;

WHEREAS, each undersigned Augmenting Lender was not an original party to the Credit Agreement but now desires to become a party thereto; and

WHEREAS, J.P. Morgan Securities LLC (the “**Lead Arranger**”) has agreed to act as sole lead arranger and bookrunner with respect to the Revolving Commitment Increases (as defined below);

NOW, THEREFORE, each of the parties hereto hereby agrees as follows:

1. Each undersigned Augmenting Lender agrees to be bound by the provisions of the Credit Agreement and agrees that it shall, upon the satisfaction of the conditions set forth in Section 2, become a Lender for all purposes of the Credit Agreement to the same extent as if originally a party thereto, with a Revolving Loan Commitment equal to the amount set forth opposite such Augmenting Lender’s name under the heading “Revolving Loan Commitment” in Schedule 1 hereto (with respect to each Augmenting Lender, its “**Augmenting Revolving Loan Commitment**”).

2. Each Augmenting Revolving Loan Commitment shall become effective on the date (the “**Augmenting Revolving Commitments Effective Date**”) when each of the following conditions shall have been satisfied:

(a) the Lead Arranger shall have received all fees and other amounts due and payable on or prior to such date including: (i) fees, disbursements and charges of counsel to the Lead Arranger under Section 10.07 of the Credit Agreement, including to the extent invoiced, reimbursement or payment of all reasonable and documented out-of-pocket expenses required to be reimbursed or paid by the Borrower under that certain Engagement Letter, dated as of June [], 2016, by and between the Borrower and the

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Lead Arranger and (ii) all fees due and payable to Lead Arranger on such date in connection with the Augmenting Revolving Loan Commitments and the agreements of the Increasing Lenders and the Lead Arranger hereunder; and

(d) the Administrative Agent shall have received:

(i) a certificate, in form and substance satisfactory to the Administrative Agent signed by an Authorized Officer of the Borrower, certifying the accuracy of the representation and warranty set forth in Section 5 as of such date;

(ii) the written opinion of the Loan Parties' counsel, addressed to the Administrative Agent and the Increasing Lenders, in substantially a form and containing assumptions and qualifications acceptable to the Administrative Agent and its counsel;

(iii) copies of the Certificate of Incorporation of each Loan Party, together with all amendments and a certificate of good standing, both certified by the appropriate governmental officer in its jurisdiction of incorporation;

(iv) copies, certified by the Secretary or Assistant Secretary of each of the Loan Parties, of its By-Laws and of its Board of Directors' (or similar body) resolutions authorizing the execution of the Loan Documents entered into by it; and

(v) an incumbency certificate, executed by the Secretary or Assistant Secretary of each of the Loan Parties, which shall identify by name and title and bear the original or facsimile signature of the officers of the Loan Parties authorized to sign this Supplement and the officers of the Borrower authorized to make borrowings under the Credit Agreement, upon which certificate the Increasing Lenders shall be entitled to rely until informed of any change in writing by the Borrower.

3. Each undersigned Augmenting Lender (a) represents and warrants that it is legally authorized to enter into this Supplement; (b) confirms that it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 7.01 thereof, as applicable, and has reviewed such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Supplement; (c) agrees 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 decisions in taking or not taking action under the Credit Agreement or any other instrument or document furnished pursuant hereto or thereto; (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 Credit Agreement or 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; and (e)

agrees that it will be bound by the provisions of the Credit Agreement and will perform in accordance with its terms all the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender.

4. The address for notices for the purposes of the Credit Agreement of each Augmenting Lender is set forth below such Augmenting Lender's name on its applicable signature page hereto.

5. The Borrower hereby represents and warrants that no Default or Unmatured Default has occurred and is continuing on and as of the date hereof.

6. Terms defined in the Credit Agreement shall have their defined meanings when used herein.

7. This Supplement shall be governed by, and construed in accordance with, the laws of the State of New York.

8. This Supplement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same document.

[remainder of this page intentionally left blank]

IN WITNESS WHEREOF, each of the undersigned has caused this Supplement to be executed and delivered by a duly authorized officer on the date first above written.

[INSERT NAME OF AUGMENTING LENDER]

By: _____

Name:

Title:

Address for Notices:

[TO BE INSERTED]

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

ENERGIZER HOLDINGS, INC.

By: _____

Name:

Title:

Acknowledged as of the date first written above:

JPMORGAN CHASE BANK, N.A.

as Administrative Agent

By: _____

Name:

Title:

Augmenting Lender Supplement Commitments

Augmenting Lender	Revolving Loan Commitment
[Increasing Lender Name]	\$[_____]
Total:	\$[_____]

[Signature Page to Amendment No. 2]

Certification of Chief Executive Officer

I, Alan R. Hoskins, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Energizer Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2016

/s/ Alan R. Hoskins

Alan R. Hoskins

Chief Executive Officer

Certification of Executive Vice President and Chief Financial Officer

I, Brian K. Hamm, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Energizer Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting

Date: August 3, 2016

/s/ Brian K. Hamm

Brian K. Hamm

Executive Vice President and Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Energizer Holdings, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Alan R. Hoskins, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my best knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 3, 2016

/s/ Alan R. Hoskins

Alan R. Hoskins

Chief Executive Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Energizer Holdings, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Brian K. Hamm, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my best knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 3, 2016

/s/ Brian K. Hamm

Brian K. Hamm

Executive Vice President and Chief Financial Officer

