
**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 September 30, 2013

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 - 36146

CommScope Holding Company, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

27-4332098
(I.R.S. Employer
Identification No.)

1100 CommScope Place, SE
Hickory, North Carolina
(Address of principal executive offices)

28602
(Zip Code)

(828) 324-2200
(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 definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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

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

As of November 1, 2013 there were 185,703,896 shares of Common Stock outstanding.

[Table of Contents](#)

CommScope Holding Company, Inc.
Form 10-Q
September 30, 2013
Table of Contents

[Part I—Financial Information \(Unaudited\):](#)

[Item 1. Condensed Consolidated Financial Statements:](#)

Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)	2
Condensed Consolidated Balance Sheets	3
Condensed Consolidated Statements of Cash Flows	4
Condensed Consolidated Statements of Stockholders' Equity	5
Notes to Unaudited Condensed Consolidated Financial Statements	6

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	21
---	----

Item 3. Quantitative and Qualitative Disclosures About Market Risk	29
--	----

Item 4. Controls and Procedures	29
---	----

[Part II—Other Information:](#)

Item 1. Legal Proceedings	30
---	----

Item 1A. Risk Factors	30
---------------------------------------	----

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	30
---	----

Item 4. Mine Safety Disclosures	30
---	----

Item 6. Exhibits	30
----------------------------------	----

Signatures	31
----------------------------	----

[Table of Contents](#)**Part 1—Financial Information (Unaudited)****ITEM 1. Condensed Consolidated Financial Statements**

CommScope Holding Company, Inc.
Condensed Consolidated Statements of Operations
and Comprehensive Income (Loss)
(Unaudited—In thousands except per share amounts)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2013	2012	2013	2012
Net sales	\$888,011	\$894,019	\$2,633,559	\$2,473,674
Operating costs and expenses:				
Cost of sales	577,812	591,192	1,724,461	1,690,373
Selling, general and administrative	122,424	114,831	354,818	337,676
Research and development	31,757	30,969	95,553	88,817
Amortization of purchased intangible assets	43,956	44,133	130,921	132,395
Restructuring costs	4,900	1,624	16,433	17,005
Asset impairments	7,320	38,271	41,802	38,271
Total operating costs and expenses	<u>788,169</u>	<u>821,020</u>	<u>2,363,988</u>	<u>2,304,537</u>
Operating income	99,842	72,999	269,571	169,137
Other expense, net	(3,394)	(1,836)	(8,665)	(8,350)
Interest expense	(53,972)	(45,900)	(147,809)	(143,460)
Interest income	650	717	2,260	2,959
Income before income taxes	43,126	25,980	115,357	20,286
Income tax expense	(31,839)	(20,696)	(87,048)	(26,383)
Net income (loss)	<u>\$ 11,287</u>	<u>\$ 5,284</u>	<u>\$ 28,309</u>	<u>\$ (6,097)</u>
Earnings (loss) per share:				
Basic	\$ 0.07	\$ 0.03	\$ 0.18	\$ (0.04)
Diluted	\$ 0.07	\$ 0.03	\$ 0.18	\$ (0.04)
Weighted average shares outstanding:				
Basic	154,885	154,706	154,883	154,701
Diluted	159,064	155,377	158,008	154,701
Comprehensive income (loss):				
Net income (loss)	\$ 11,287	\$ 5,284	\$ 28,309	\$ (6,097)
Other comprehensive income (loss), net of tax:				
Foreign currency gain (loss)	9,469	6,096	(7,144)	(5,756)
Pension and other postretirement benefit activity	(1,373)	(980)	(4,085)	306
Total other comprehensive income (loss), net of tax	<u>8,096</u>	<u>5,116</u>	<u>(11,229)</u>	<u>(5,450)</u>
Total comprehensive income (loss)	<u>\$ 19,383</u>	<u>\$ 10,400</u>	<u>\$ 17,080</u>	<u>\$ (11,547)</u>

See notes to unaudited condensed consolidated financial statements.

CommScope Holding Company, Inc.
Condensed Consolidated Balance Sheets
(Unaudited—In thousands, except share amounts)

	<u>September 30, 2013</u>	<u>December 31, 2012</u>
Assets		
Cash and cash equivalents	\$ 312,045	\$ 264,375
Accounts receivable, less allowance for doubtful accounts of \$13,452 and \$14,555, respectively	641,815	596,050
Inventories, net	367,590	311,970
Prepaid expenses and other current assets	60,107	53,790
Deferred income taxes	47,149	61,072
Total current assets	<u>1,428,706</u>	<u>1,287,257</u>
Property, plant and equipment, net of accumulated depreciation of \$177,179 and \$146,044, respectively	331,889	355,212
Goodwill	1,458,294	1,473,932
Other intangible assets, net	1,469,291	1,578,683
Other noncurrent assets	110,596	98,180
Total assets	<u>\$ 4,798,776</u>	<u>\$ 4,793,264</u>
Liabilities and Stockholders' Equity		
Accounts payable	\$ 242,142	\$ 194,301
Other accrued liabilities	286,337	344,542
Current portion of long-term debt	10,746	10,776
Total current liabilities	<u>539,225</u>	<u>549,619</u>
Long-term debt	3,004,024	2,459,994
Deferred income taxes	424,017	429,312
Pension and other postretirement benefit liabilities	53,029	72,317
Other noncurrent liabilities	120,477	99,740
Total liabilities	<u>4,140,772</u>	<u>3,610,982</u>
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$.01 par value: Authorized shares: 300,000,000; Issued and outstanding shares: 154,884,600 and 154,879,299 at September 30, 2013 and December 31, 2012, respectively	1,558	1,558
Additional paid-in capital	1,664,334	1,655,379
Accumulated deficit	(969,378)	(447,687)
Accumulated other comprehensive loss	(27,875)	(16,646)
Treasury stock, at cost: 961,566 shares and 936,300 shares at September 30, 2013 and December 31, 2012, respectively	(10,635)	(10,322)
Total stockholders' equity	<u>658,004</u>	<u>1,182,282</u>
Total liabilities and stockholders' equity	<u>\$ 4,798,776</u>	<u>\$ 4,793,264</u>

See notes to unaudited condensed consolidated financial statements.

CommScope Holding Company, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited—In thousands)

	Nine Months Ended	
	September 30,	
	2013	2012
Operating Activities:		
Net income (loss)	\$ 28,309	\$ (6,097)
Adjustments to reconcile net income (loss) to net cash generated by operating activities:		
Depreciation and amortization	183,865	198,155
Equity-based compensation	12,657	5,382
Excess tax benefits from equity-based compensation	(9)	(22)
Deferred income taxes	14,728	(36,401)
Asset impairments	41,802	38,271
Changes in assets and liabilities:		
Accounts receivable	(46,795)	(106,991)
Inventories	(57,546)	(44,596)
Prepaid expenses and other assets	(20,481)	3,018
Accounts payable and other liabilities	(19,779)	2,540
Other	14,516	684
Net cash generated by operating activities	151,267	53,943
Investing Activities:		
Additions to property, plant and equipment	(27,729)	(19,390)
Proceeds from sale of property, plant and equipment	1,238	1,949
Cash paid for acquisitions	(55,770)	(12,214)
Other	2,902	2,301
Net cash used in investing activities	(79,359)	(27,354)
Financing Activities:		
Long-term debt repaid	(205,237)	(266,746)
Long-term debt proceeds	747,035	174,150
Long-term debt issuance costs	(13,127)	(2,701)
Dividends paid	(538,705)	—
Cash paid to stock option holders	(11,295)	—
Excess tax benefits from equity-based compensation	9	22
Other	(32)	(101)
Net cash used in financing activities	(21,352)	(95,376)
Effect of exchange rate changes on cash and cash equivalents	(2,886)	(4,160)
Change in cash and cash equivalents	47,670	(72,947)
Cash and cash equivalents, beginning of period	264,375	317,102
Cash and cash equivalents, end of period	<u>\$ 312,045</u>	<u>\$ 244,155</u>

See notes to unaudited condensed consolidated financial statements.

CommScope Holding Company, Inc.
Condensed Consolidated Statements of Stockholders' Equity
(Unaudited—In thousands, except share amounts)

	Nine Months Ended September 30,	
	2013	2012
Number of common shares outstanding:		
Balance at beginning of period	154,879,299	154,688,355
Issuance of shares under equity-based compensation plans	30,567	104,583
Shares repurchased under equity-based compensation plans	(25,266)	(86,523)
Balance at end of period	<u>154,884,600</u>	<u>154,706,415</u>
Common stock:		
Balance at beginning and end of period	<u>\$ 1,558</u>	<u>\$ 1,554</u>
Additional paid-in capital:		
Balance at beginning of period	\$ 1,655,379	\$ 1,649,200
Issuance of shares under equity-based compensation plans	279	793
Equity-based compensation	8,667	2,868
Tax benefit (deficiency) from shares issued under equity-based compensation plans	9	(204)
Balance at end of period	<u>\$ 1,664,334</u>	<u>\$ 1,652,657</u>
Accumulated deficit:		
Balance at beginning of period	\$ (447,687)	\$ (252,308)
Net income (loss)	28,309	(6,097)
Dividends paid	(538,705)	—
Cash paid to stock option holders	(11,295)	—
Balance at end of period	<u>\$ (969,378)</u>	<u>\$ (258,405)</u>
Accumulated other comprehensive loss:		
Balance at beginning of period	\$ (16,646)	\$ (26,364)
Other comprehensive loss, net of tax	(11,229)	(5,450)
Balance at end of period	<u>\$ (27,875)</u>	<u>\$ (31,814)</u>
Treasury stock, at cost:		
Balance at beginning of period	\$ (10,322)	\$ (5,957)
Net shares repurchased under equity-based compensation plans	(313)	(894)
Balance at end of period	<u>\$ (10,635)</u>	<u>\$ (6,851)</u>
Total stockholders' equity	<u>\$ 658,004</u>	<u>\$ 1,357,141</u>

See notes to unaudited condensed consolidated financial statements.

CommScope Holding Company, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements
(In thousands, unless otherwise noted)

1. BACKGROUND AND BASIS OF PRESENTATION

Background

CommScope Holding Company, Inc., along with its direct and indirect subsidiaries (CommScope or the Company), is a global provider of essential infrastructure solutions for wireless, business enterprise and residential broadband networks. The Company's solutions and services for wired and wireless networks enable high-bandwidth data, video and voice applications. CommScope's global position is built upon innovative technology, broad solution offerings, high-quality and cost-effective customer solutions and global manufacturing and distribution scale.

Basis of Presentation

The Condensed Consolidated Balance Sheet as of September 30, 2013, the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) for the three and nine months ended September 30, 2013 and 2012, and the Condensed Consolidated Statements of Cash Flows and Stockholders' Equity for the nine months ended September 30, 2013 and 2012 are unaudited and reflect all adjustments of a normal recurring nature that are, in the opinion of management, necessary for a fair presentation of the interim period financial statements. The results of operations for the interim periods are not necessarily indicative of the results of operations to be expected for the full year.

The unaudited interim condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP) for interim financial information and are presented in accordance with the applicable requirements of Rule 10-01 of Regulation S-X. Accordingly, these financial statements do not include all of the information and notes required by U.S. GAAP for complete financial statements. The significant accounting policies followed by the Company are set forth in Note 2 within the Company's audited consolidated financial statements included in the Company's Form S-1 filed October 11, 2013. There were no changes in the Company's significant accounting policies during the three and nine months ended September 30, 2013. In addition, the Company reaffirms the use of estimates in the preparation of the financial statements as set forth in the audited consolidated financial statements. These interim condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements.

On October 4, 2013, the Company effected a 3-for-1 stock split of its common stock. All share and per share numbers have been revised to reflect the stock split.

Concentrations of Risk and Related Party Transactions

Net sales to Anixter International Inc. and its affiliates (Anixter) accounted for approximately 12% of the Company's total net sales during both the three and nine months ended September 30, 2013. Net sales to Anixter accounted for approximately 12% and 13% of the Company's total net sales during the three and nine months ended September 30, 2012, respectively. Sales to Anixter primarily originate within the Enterprise segment. Other than Anixter, no customer accounted for 10% or more of the Company's total net sales for the three or nine months ended September 30, 2013 or 2012.

Accounts receivable from Anixter represented approximately 12% of accounts receivable as of September 30, 2013. Other than Anixter, no other customer accounted for 10% or more of the Company's accounts receivable as of September 30, 2013.

As of September 30, 2013, the Company was 98.4% owned by funds affiliated with The Carlyle Group (Carlyle). The Company paid \$0.8 million of the annual management and oversight fee to Carlyle in both the three months ended September 30, 2013 and 2012 and \$2.3 million of the annual management and oversight fee to Carlyle in both the nine months ended September 30, 2013 and 2012. In October 2013, the Company paid Carlyle approximately \$20.2 million to terminate the management agreement. See Footnote 12 – Subsequent Events.

[Table of Contents](#)

Product Warranties

The Company recognizes a liability for the estimated claims that may be paid under its customer warranty agreements to remedy potential deficiencies of quality or performance of the Company's products. These product warranties extend over periods ranging from one to twenty-five years from the date of sale, depending upon the product subject to the warranty. The Company records a provision for estimated future warranty claims as cost of sales based upon the historical relationship of warranty claims to sales and specifically-identified warranty issues. The Company bases its estimates on assumptions that are believed to be reasonable under the circumstances and revises its estimates, as appropriate, when events or changes in circumstances indicate that revisions may be necessary. Such revisions may be material.

The following table summarizes the activity in the product warranty accrual, included in other accrued liabilities:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Product warranty accrual, beginning of period	\$24,127	\$19,923	\$26,005	\$18,653
Provision for warranty claims	2,421	6,708	3,568	11,151
Warranty claims paid	(2,437)	(1,752)	(5,462)	(4,925)
Product warranty accrual, end of period	<u>\$24,111</u>	<u>\$24,879</u>	<u>\$24,111</u>	<u>\$24,879</u>

Commitments and Contingencies

The Company is either a plaintiff or a defendant in pending legal matters in the normal course of business. Management believes none of these other legal matters will have a material adverse effect on the Company's business or financial condition upon final disposition.

On May 12, 2010, a putative stockholder class action lawsuit, asserting claims under the Securities Exchange Act of 1934 (the 1934 Act), was filed in the United States District Court for the Western District of North Carolina against the Company and certain of its current and former officers. The lawsuit alleged violations of the 1934 Act and SEC Rule 10b-5, related to allegedly false and misleading statements and/or omissions by the Company about its financial condition and future sales prospects during the period between April 29, 2008 and October 30, 2008. On August 6, 2013, the United States District Court for the Western District of North Carolina granted the Company's motion to dismiss the stockholder class action lawsuit and entered judgment in favor of the Company. Plaintiffs did not file a Notice of Appeal by the deadline and thus this lawsuit was concluded in the favor of CommScope and the other defendants.

As of September 30, 2013, the Company had commitments of \$17.1 million to purchase metals that are expected to be consumed in normal production by March 2014. In the aggregate, these commitments were at prices less than 2% above market prices as of September 30, 2013.

Asset Impairment

During the first six months of 2013, the Broadband segment experienced lower than expected levels of sales and operating income. Management considered these results and the longer term effect of market conditions on the continued operations of the business and determined that an indicator of possible impairment existed. A step one goodwill impairment test was performed using a discounted cash flow (DCF) valuation model. The significant assumptions in the DCF model are the annual revenue growth rate, the annual operating income margin, and the discount rate used to determine the present value of the cash flow projections. The discount rate was based on the estimated weighted average cost of capital as of the test date of market participants in the industry in which the Broadband segment (which is considered a reporting unit) operates. Based on the estimated fair values generated by the DCF model, the Broadband segment did not pass step one of the goodwill impairment test. Accordingly, a step two analysis was initiated, and a preliminary goodwill impairment charge of \$28.8 million was recorded during the three months ended June 30, 2013. The step two analysis was completed during the three months ended September 30, 2013 and an incremental \$7.3 million impairment charge was recorded. The goodwill impairment charge resulted primarily from lower projected operating results than those assumed during the 2012 annual impairment test.

[Table of Contents](#)

A summary of the effects of changes in key assumptions, assuming all other assumptions remain constant, on the fair value compared to the carrying value, as of the impairment test date is as follows:

Reportable Segment	Deficit of estimated fair value compared to the carrying value as a percent of carrying value			
	Actual valuation	Decrease of 0.5% in annual revenue growth rate	Decrease of 0.5% in annual operating income margin	Increase of 0.5% in discount rate
Broadband	(1.3)%	(5.0)%	(6.1)%	(4.7)%

The weighted average discount rate used in the impairment test for the Broadband segment was 11.0% compared to 11.5% that was used in the 2012 annual goodwill impairment test.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of the assets may not be recoverable, based on the undiscounted cash flows expected to be derived from the use and ultimate disposition of the assets. Assets identified as impaired are carried at their estimated fair value. During the nine months ended September 30, 2013, the Company obtained new market data regarding a facility which is being marketed for sale. Based on this data, the Company recorded a pretax impairment charge of \$3.6 million which was recognized within the Wireless segment. Also during the nine months ended September 30, 2013, the Company concluded that certain production equipment would no longer be utilized and consequently recorded pretax impairment charges of \$2.0 million within the Wireless segment.

Income Taxes

For the three and nine months ended September 30, 2013, income tax expense reflected net increases in valuation allowances of \$4.0 million and \$25.2 million, respectively, related to (1) foreign tax credit carryforwards that the Company has determined are not likely to be realized, primarily due to an increase in future interest expense expected as a result of current year borrowings and (2) net operating loss carryforwards in certain foreign jurisdictions as a result of changes in profitability. In addition to the impact of the valuation allowances, the effective income tax rate for the three and nine months ended September 30, 2013 was also affected by goodwill impairment charges for which no tax benefit was recognized, losses in certain foreign jurisdictions where the Company did not recognize tax benefits due to the likelihood of them not being realizable, tax costs associated with repatriation of foreign earnings and adjustments related to prior years' tax returns in various jurisdictions.

Income tax expense for the three and nine months ended September 30, 2012 reflected net increases in valuation allowances in foreign jurisdictions, adjustments related to filing the 2011 U.S. federal income tax return and additional expense related to uncertain tax positions. In addition to these items, the effective income tax rate for the prior year periods was also impacted by losses in certain foreign jurisdictions where the Company did not recognize tax benefits due to the likelihood of them not being realizable and tax costs associated with repatriation of foreign earnings.

Excluding the items listed above, the effective income tax rate for the three and nine months ended September 30, 2013 and 2012 was higher than the statutory rate of 35% primarily due to the provision for state income taxes and certain tax costs associated with repatriation of foreign earnings. The Company expects to continue to provide U.S. taxes on substantially all of our current year foreign earnings in anticipation that such earnings will be repatriated to the U.S.

[Table of Contents](#)

Earnings (Loss) Per Share

Basic earnings (loss) per share is computed by dividing net income (loss) by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is based on net income (loss) divided by the weighted average number of common shares outstanding adjusted for the dilutive effect of stock options. Below is a reconciliation of weighted average common shares and potential common shares outstanding for calculating diluted earnings (loss) per share:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Numerator:				
Net income (loss) for basic and diluted earnings (loss) per share	\$ 11,287	\$ 5,284	\$ 28,309	\$ (6,097)
Denominator:				
Weighted average number of common shares outstanding for basic earnings (loss) per share	154,885	154,706	154,883	154,701
Effect of dilutive securities:				
Stock options (a)	4,179	671	3,125	—
Weighted average number of common shares and potential common shares outstanding for diluted earnings (loss) per share	<u>159,064</u>	<u>155,377</u>	<u>158,008</u>	<u>154,701</u>

- (a) No options to purchase common shares were excluded from the computation of diluted earnings per share for the three months ended September 30, 2013 and 7.5 million common shares were excluded from the computation of diluted loss per share for the three months ended September 30, 2012, because they would have been anti-dilutive. Options to purchase 0.2 million and 11.2 million common shares were excluded from the computation of diluted earnings (loss) per share for the nine months ended September 30, 2013 and 2012, respectively, because they would have been anti-dilutive.

2. ACQUISITIONS

In March 2013, the Company acquired substantially all of the assets and assumed certain liabilities of iTRACS Corporation (iTRACS) for approximately \$34.0 million in cash. iTRACS develops and markets enterprise-class data center infrastructure management (DCIM) solutions and is reported within the Enterprise segment. Net sales of iTRACS products and services were immaterial for the three and nine months ended September 30, 2013. The preliminary allocation of the purchase price, based on estimates of the fair values of assets acquired and liabilities assumed, is as follows:

	<u>Estimated Fair Value</u> (in millions)
Current assets	\$ 1.6
Noncurrent assets, excluding intangible assets	0.7
Other intangible assets	13.1
Goodwill	19.8
Less: Liabilities assumed	(1.2)
Net acquisition cost	<u>\$ 34.0</u>

The goodwill arising from the preliminary purchase price allocation of the iTRACS acquisition is believed to result from the company's reputation in the marketplace and assembled workforce and is expected to be deductible for tax purposes.

As additional information is obtained, adjustments may be made to the preliminary purchase price allocation. The Company is still finalizing the valuation of the fair value of certain tangible and intangible assets acquired.

Table of Contents

In July 2013, the Company acquired Redwood Systems, Inc. (Redwood), a provider of LED lighting solutions and integrated sensor networks for data centers and buildings. Redwood was acquired for an initial payment of \$9.8 million and contingent consideration with an estimated fair value of \$12.4 million. The Company may be required to pay up to an additional \$37.25 million of consideration if certain net sales targets of up to \$55.0 million are met over various periods through July 31, 2015. In addition there are retention payments for employees of Redwood of up to \$11.75 million based on the same net sales targets as the contingent consideration. Net sales of Redwood products and services were \$1.0 million for both the three and nine months ended September 30, 2013 and are reported in the Enterprise segment. The preliminary allocation of the purchase price, based on estimates of the fair values of assets acquired and liabilities assumed, is as follows:

	<u>Estimated Fair Value</u> (in millions)
Current assets	\$ 2.4
Deferred taxes	8.2
Other intangible assets	9.0
Goodwill	3.5
Other noncurrent assets	0.8
Less: Liabilities assumed	(1.7)
Net acquisition cost	<u>\$ 22.2</u>

The goodwill arising from the preliminary purchase price allocation of the Redwood acquisition is believed to result from the company's reputation in the marketplace and assembled workforce and is not expected to be deductible for tax purposes.

The Company is still finalizing the valuation and as additional information is obtained, adjustments may be made to the preliminary purchase price allocation.

During the three months ended September 30, 2013, the Company paid the final purchase price payment (\$12 million) for the Argus acquisition.

3. GOODWILL

The following table presents the allocation of goodwill by reportable segment:

	<u>Wireless</u>	<u>Enterprise</u>	<u>Broadband</u>	<u>Total</u>
	(in millions)			
Goodwill, gross, as of January 1, 2013	\$ 824.8	\$ 636.5	\$ 92.8	\$1,554.1
Preliminary purchase price allocation	—	23.3	—	23.3
Foreign exchange	(2.7)	—	—	(2.7)
Goodwill, gross, as of September 30, 2013	822.1	659.8	92.8	1,574.7
Accumulated impairment charges as of January 1, 2013	(80.2)	—	—	(80.2)
Impairment charges recorded during the nine months ended September 30, 2013	—	—	(36.2)	(36.2)
Goodwill, net, as of September 30, 2013	<u>\$ 741.9</u>	<u>\$ 659.8</u>	<u>\$ 56.6</u>	<u>\$1,458.3</u>

4. SUPPLEMENTAL FINANCIAL STATEMENT INFORMATION

Inventories

	<u>September 30, 2013</u>	<u>December 31, 2012</u>
Raw materials	\$ 79,420	\$ 69,520
Work in process	122,215	96,389
Finished goods	165,955	146,061
	<u>\$ 367,590</u>	<u>\$ 311,970</u>

[Table of Contents](#)**Equity Method Investments**

The Company utilizes the equity method of accounting for investments in entities where it does not have control but has the ability to exercise significant influence. The only significant equity method investment held by the Company is an investment in Hydrogenics Corporation (Hydrogenics), a publicly traded company (24.9% ownership investment at September 30, 2013 and 28.4% ownership investment at December 31, 2012).

Hydrogenics is a supplier of hydrogen generators and hydrogen-based power modules and fuel cells for various uses. Hydrogenics supplies the Company with fuel cells for use in back-up power solutions within the Wireless segment.

The carrying value of equity method investments was \$3.2 million at September 30, 2013 and \$4.5 million at December 31, 2012. Equity method investments are recorded in other noncurrent assets on the Condensed Consolidated Balance Sheet.

The Company's share of earnings and losses of its equity method investments are recorded in other expense, net on the Condensed Consolidated Statement of Operations and Comprehensive Income (Loss). The Company's share of losses in our equity method investments was \$1.1 million and \$1.3 million for the three and nine months ended September 30, 2013, respectively, compared to \$0.9 million and \$1.8 million for the three and nine months ended September 30, 2012, respectively. Also included in the nine months ended September 30, 2013 was the \$0.8 million write-off of one such investment.

Other Accrued Liabilities

	September 30, 2013	December 31, 2012
Compensation and employee benefit liabilities	\$ 106,215	\$ 114,679
Deferred revenue	21,969	37,663
Product warranty accrual	24,111	26,005
Accrued interest	45,191	63,783
Restructuring reserve	8,025	20,481
Other	80,826	81,931
	<u>\$ 286,337</u>	<u>\$ 344,542</u>

Accumulated Other Comprehensive Loss

Changes in accumulated other comprehensive loss, net of tax, are as follows:

	Foreign Currency Gain (Loss)	Pension and Other Postretirement Benefit Activity	Total
Balance at June 30, 2013	\$ (40,837)	\$ 4,866	\$(35,971)
Other comprehensive loss before reclassifications	9,469	—	9,469
Amounts reclassified from accumulated other comprehensive loss	—	(1,373)	(1,373)
Net current period other comprehensive loss	9,469	(1,373)	8,096
Balance at September 30, 2013	<u>\$ (31,368)</u>	<u>\$ 3,493</u>	<u>\$(27,875)</u>
Balance at December 31, 2012	<u>\$ (24,224)</u>	<u>\$ 7,578</u>	<u>\$(16,646)</u>
Other comprehensive loss before reclassifications	(7,144)	—	(7,144)
Amounts reclassified from accumulated other comprehensive loss	—	(4,085)	(4,085)
Net current period other comprehensive loss	(7,144)	(4,085)	(11,229)
Balance at September 30, 2013	<u>\$ (31,368)</u>	<u>\$ 3,493</u>	<u>\$(27,875)</u>

Pension and other postretirement benefit amounts reclassified from accumulated other comprehensive loss are included in the computation of net periodic benefit income and are primarily recorded in cost of sales and selling, general and administrative expenses in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss).

Cash Flow Information

	Nine Months Ended September 30,	
	2013	2012
Cash paid during the period for:		
Income taxes, net of refunds	\$ 65,675	\$ 52,419
Interest	\$155,903	\$160,621
Noncash financing activities:		
Acquisition of treasury stock resulting from stock option exercises	\$ 281	\$ 793

5. FINANCING

	September 30, 2013	December 31, 2012
8.25% senior notes due January 2019	\$ 1,500,000	\$ 1,500,000
Senior secured term loan due January 2018	975,000	982,500
Senior PIK toggle notes due June 2020	550,000	—
Senior secured revolving credit facility expires January 2017	—	—
Other	1,117	1,696
	<u>\$ 3,026,117</u>	<u>\$ 2,484,196</u>
Less: Original issue discount, net of amortization	(11,347)	(13,426)
Less: Current portion	(10,746)	(10,776)
	<u>\$ 3,004,024</u>	<u>\$ 2,459,994</u>

Senior PIK Toggle Notes

On May 28, 2013, CommScope Holding Company, Inc. (Holdco) issued \$550.0 million of 6.625%/7.375% Senior Payment-in-Kind Toggle Notes due 2020 (the senior PIK toggle notes) in a private offering, for proceeds of \$538.8 million, net of debt issuance costs. The senior PIK toggle notes are senior unsecured obligations that are not guaranteed by any of Holdco's subsidiaries.

Holdco may redeem the notes in whole or part during periods after June 1, 2016 at redemption prices (expressed as a percentage of the principal amount), plus accrued and unpaid interest to the redemption date, as follows: (i) June 1, 2016 through May 31, 2017 at 103.313%; (ii) June 1, 2017 through May 31, 2018 at 101.656%; and (iii) June 1, 2018 to maturity at 100.000%.

The senior PIK toggle notes will pay interest semi-annually in arrears on each June 1 and December 1, commencing on December 1, 2013. The first interest payment on the senior PIK toggle notes is payable in cash. For each interest period thereafter, Holdco is required to pay interest on the senior PIK toggle notes entirely in cash, unless the Applicable Amount, as defined in the indenture governing the senior PIK toggle notes (the PIK Notes Indenture), is less than the applicable semi-annual requisite interest payment amount, in which case, Holdco may elect to pay a portion of the interest due on the senior PIK toggle notes for such interest period by increasing the principal amount of the senior PIK toggle notes or by issuing new notes for up to the entire amount of the interest payment (in each case, PIK interest) to the extent described in the PIK Notes Indenture. Cash interest on the senior PIK toggle notes will accrue at the rate of 6.625% per annum. PIK interest on the senior PIK toggle notes will accrue at the rate of 7.375% per annum until the next payment of cash interest.

For the purposes of the PIK Notes Indenture, "Applicable Amount" generally refers to the Company's then current restricted payment capacity under the instruments governing the Company's indebtedness, less \$20 million, and plus Holdco's cash and cash equivalents less \$10 million. Based on the Applicable Amount, as of September 30, 2013, Holdco would be required to make its next interest payment on the senior PIK toggle notes entirely in cash.

The senior PIK toggle notes are structurally subordinated to indebtedness and other liabilities of subsidiaries of Holdco. Claims of creditors of such subsidiaries, including trade creditors, will have priority with respect to the assets and earnings of such subsidiaries over the holders of the senior PIK toggle notes. Holdco is a holding company with no material operations of its own and is, therefore, dependent upon the revenues and cash flows of its subsidiaries to service its debt obligations.

The net proceeds from the issuance of the senior PIK toggle notes and available cash were used to fund a \$550.0 million special cash dividend and distribution to Holdco's equity holders.

Senior Secured Credit Facilities

During the first quarter of 2013, the Company amended its senior secured term loan primarily to lower the interest rate. The amendment resulted in the repayment of \$32.0 million to certain lenders who exited the senior secured term loan syndicate and the receipt of \$32.0 million in proceeds from new lenders and existing lenders who increased their positions. The senior secured term loan was amended such that the interest rate is now equal to, at the Company's option, either (1) the base rate (which is the highest of the then current Federal Funds rate plus 0.5%, the prime rate most recently announced by JPMorgan Chase Bank, N.A., the administrative agent under the term loan and revolving credit facility, and the one-month Eurodollar rate plus 1.0%) plus a margin of 1.75% or (2) the greater of (a) one-, two-, three- or six-month LIBOR (selected at the Company's option) plus a margin of 2.75% or (b) 3.75%. The unused line fee calculated on the undrawn portion of the revolving credit facility was 0.375% as of September 30, 2013 based on usage of the facility.

As a result of the lenders who exited the senior secured term loan syndicate in conjunction with the amendment, \$0.2 million of original issue discount and \$0.3 million of deferred financing fees associated with the senior secured term loan were written off and included in interest expense. In connection with amending the senior secured term loan, the Company incurred pretax costs of \$1.9 million, which are included in other expense, net on the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) and in long-term debt financing costs on the Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2013.

During the three and nine months ended September 30, 2013, the Company made scheduled principal repayments of \$2.5 million and \$7.5 million, respectively, on its senior secured term loan. None of the senior secured term loan was reflected as a current portion of long-term debt as of September 30, 2013 related to the excess cash flow payment that may be required because the amount that may be payable in 2014, if any, cannot currently be reliably estimated. There was no excess cash flow payment required in 2013 related to 2012.

During the nine months ended September 30, 2013, the Company borrowed and repaid \$165.0 million under the revolving credit facility. As of September 30, 2013, the Company had remaining availability of approximately \$328.7 million under the asset-based revolving credit facility, after giving effect to \$56.7 million of outstanding letters of credit and the borrowing base limitations for additional secured borrowings.

Other Matters

The Company's non-guarantor subsidiaries under the 8.25% senior notes due January 2019 held approximately \$1,067 million, or 22.2%, of total assets and approximately \$271 million, or 6.6%, of total liabilities as of September 30, 2013 and accounted for approximately \$338 million, or 38.1%, and \$992 million, or 37.7%, of net sales for the three and nine months ended September 30, 2013, respectively. As of December 31, 2012, the non-guarantor subsidiaries held approximately \$952 million, or 20%, of total assets and approximately \$270 million, or 7%, of total liabilities. For the three and nine months ended September 30, 2012, the non-guarantor subsidiaries accounted for approximately \$354 million, or 39.6%, and \$1,017 million, or 41.1%, respectively, of net sales. All amounts presented exclude intercompany balances.

The weighted average effective interest rate on outstanding borrowings, including the amortization of deferred financing costs and original issue discount, was 7.09% and 7.33% at September 30, 2013 and December 31, 2012, respectively.

See Note 6 in the audited consolidated financial statements included in the Company's Form S-1 filed October 11, 2013 for additional information on the terms and conditions of the 8.25% senior notes and the senior secured credit facilities.

6. DERIVATIVES AND HEDGING ACTIVITIES

The Company uses forward contracts to hedge a portion of its exposure to balances denominated in currencies other than the functional currency of various subsidiaries in order to mitigate the impact of changes in exchange rates. At September 30, 2013, the Company had foreign exchange contracts with maturities ranging from one to six months with an aggregate notional value of \$212 million (based on exchange rates as of September 30, 2013). Unrealized gains and losses resulting from these contracts are recognized in other expense, net and partially offset corresponding foreign exchange gains and losses on these balances. These instruments are not held for speculative or trading purposes. These contracts are not designated as hedges for hedge accounting and are marked to market each period through earnings. The following table presents the balance sheet location and fair value of the Company's derivatives:

	Balance Sheet Location	Fair Value of Asset (Liability)	
		September 30, 2013	December 31, 2012
Foreign currency contracts	Prepaid expenses and other current assets	\$ 2,887	\$ 1,314
Foreign currency contracts	Other accrued liabilities	(634)	(474)
Total derivatives not designated as hedging instruments		\$ 2,253	\$ 840

The pretax impact of the foreign currency forward contracts not designated as hedging instruments on the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) is as follows:

Foreign Currency Forward Contracts	Location of Gain (Loss)	Gain (Loss) Recognized
Three Months Ended September 30, 2013	Other expense, net	\$ 3,227
Three Months Ended September 30, 2012	Other expense, net	\$ 472
Nine Months Ended September 30, 2013	Other expense, net	\$ 6,903
Nine Months Ended September 30, 2012	Other expense, net	\$ (1,447)

7. FAIR VALUE MEASUREMENTS

Fair value measurements using quoted prices in active markets for identical assets and liabilities fall within Level 1 of the fair value hierarchy, measurements using significant other observable inputs fall within Level 2, and measurements using significant unobservable inputs fall within Level 3.

The Company's financial instruments consist primarily of cash and cash equivalents, trade receivables, trade payables, debt instruments, foreign currency contracts and contingent consideration payable. For cash and cash equivalents, trade receivables and trade payables, the carrying amounts of these financial instruments as of September 30, 2013 and December 31, 2012 were considered representative of their fair values due to their short terms to maturity. The fair values of the Company's debt instruments and foreign currency contracts were based on indicative quotes. The fair value of the contingent consideration payable was based on a probability weighted discounted cash flow analysis.

The carrying amounts, estimated fair values and valuation input levels of the Company's equity method investment, foreign currency contracts, senior notes, senior PIK toggle notes, senior secured term loans and contingent consideration payable as of September 30, 2013 and December 31, 2012, are as follows:

	September 30, 2013		December 31, 2012		Valuation Inputs
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	
Assets:					
Equity method investment	\$ 3,234	\$ 27,730	\$ 4,492	\$ 14,805	Level 1
Foreign currency contracts	\$ 2,887	\$ 2,887	\$ 1,314	\$ 1,314	Level 2
Liabilities:					
8.25% senior notes	\$1,500,000	\$1,629,300	\$1,500,000	\$1,642,500	Level 2
Senior secured term loan, at par	\$ 975,000	\$ 977,126	\$ 982,500	\$ 987,413	Level 2
Senior PIK toggle notes	\$ 550,000	\$ 547,250	\$ —	\$ —	Level 2
Foreign currency contracts	\$ 634	\$ 634	\$ 474	\$ 474	Level 2
Contingent consideration	\$ 12,937	\$ 12,937	\$ —	\$ —	Level 3

[Table of Contents](#)

Contingent consideration represents the estimated fair value of the expected payment due related to the acquisition of Redwood. The contingent consideration is payable in 2015 and could range from zero to \$37.25 million. The amount to be paid is based on the achievement of sales targets of Redwood products with a maximum payout reached with \$55.0 million of sales by July 31, 2015. The estimated fair value of the contingent consideration was \$12.4 million as of July 3, 2013, the Redwood acquisition date. Expense of \$0.6 million related to the change in estimated fair value was recorded in selling, general and administrative expense in the Condensed Consolidated Statement of Operations and Comprehensive Income (Loss) for the three and nine months ended September 30, 2013.

During the three and nine months ended September 30, 2013, the Company recorded pretax goodwill impairment charges of \$7.3 million and \$36.2 million, respectively, related to the Broadband segment as a result of reduced expectations of future cash flows, primarily from lower projected operating results. The valuations supporting the goodwill impairment charges are based on Level 3 valuation inputs. During the nine months ended September 30, 2013, the Company obtained new market data regarding a facility which is being marketed for sale. Based on this data, the Company recorded a pretax impairment charge of \$3.6 million which was recognized within the Wireless segment. Also during the nine months ended September 30, 2013, the Company concluded that certain production equipment would no longer be utilized and consequently recorded pretax impairment charges of \$2.0 million within the Wireless segment. The valuations supporting the facility and equipment impairment charges are based on Level 3 valuation inputs.

These fair value estimates are based on pertinent information available to management as of September 30, 2013 and December 31, 2012. Although management is not aware of any factors that would significantly affect these fair value estimates, such amounts have not been comprehensively revalued for purposes of these financial statements since those dates and current estimates of fair value may differ significantly from the amounts presented.

8. INDUSTRY SEGMENT AND GEOGRAPHIC INFORMATION

The Company's three reportable segments, which align with the manner in which the business is managed, are Wireless, Enterprise and Broadband.

The Wireless segment's infrastructure solutions enable wireless carriers to deploy macro cell sites and small cell solutions to meet coverage and capacity requirements driven by increasing demand for mobile bandwidth. The macro cell site solutions can be found at wireless tower sites and include base station and microwave antennas, hybrid fiber-feeder and power cables, coaxial cables, connectors, power amplifiers and environmentally-secure cabinets for equipment, including fuel cell backup power. The small cell solutions are primarily composed of distributed antenna systems that extend and enhance cellular coverage and capacity in challenging network conditions such as stadiums, transportation systems and commercial buildings.

The Enterprise segment provides connectivity and network intelligence for data centers and commercial buildings. These solutions include optical fiber and twisted pair structured cabling applications, intelligent infrastructure software, network rack and cabinet enclosures, intelligent building sensors, advanced LED lighting control systems and network design services.

The Broadband segment consists of cable and communications equipment that support the multi-channel video, voice and high-speed data services provided by cable operators. The segment's products include coaxial and fiber-optic cables, fiber-to-the-home equipment, amplifiers, splitters and taps, conduit, headend solutions for the network core and bimetal cable components.

The following table provides summary financial information by reportable segment:

	<u>September 30, 2013</u>	<u>December 31, 2012</u>
	(in millions)	
Identifiable segment-related assets:		
Wireless	\$ 2,463.3	\$ 2,460.2
Enterprise	1,504.6	1,490.8
Broadband	406.4	455.8
Total identifiable segment-related assets	<u>4,374.3</u>	<u>4,406.8</u>
Reconciliation to total assets:		
Cash and cash equivalents	312.0	264.4
Deferred income tax assets	49.7	61.1
Deferred financing fees	62.8	61.0
Total assets	<u>\$ 4,798.8</u>	<u>\$ 4,793.3</u>

[Table of Contents](#)

The following table provides net sales, operating income (loss), depreciation, and amortization by reportable segment:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
(in millions)				
Net sales:				
Wireless	\$ 552.6	\$ 535.5	\$1,640.6	\$1,401.1
Enterprise	212.2	212.0	622.7	637.8
Broadband	124.6	148.0	375.5	439.2
Inter-segment eliminations	(1.4)	(1.5)	(5.2)	(4.4)
Consolidated net sales	<u>\$ 888.0</u>	<u>\$ 894.0</u>	<u>\$2,633.6</u>	<u>\$2,473.7</u>
Operating income (loss):				
Wireless (1)	\$ 90.3	\$ 36.7	\$ 246.0	\$ 65.4
Enterprise	21.7	34.6	63.7	93.5
Broadband (2)	(12.2)	1.7	(40.1)	10.2
Consolidated operating income	<u>\$ 99.8</u>	<u>\$ 73.0</u>	<u>\$ 269.6</u>	<u>\$ 169.1</u>
Depreciation:				
Wireless	\$ 8.3	\$ 11.1	\$ 24.7	\$ 33.8
Enterprise	3.2	3.3	9.1	9.6
Broadband	2.5	2.8	7.6	8.8
Consolidated depreciation	<u>\$ 14.0</u>	<u>\$ 17.2</u>	<u>\$ 41.4</u>	<u>\$ 52.2</u>
Amortization (3):				
Wireless	\$ 22.0	\$ 22.9	\$ 66.1	\$ 68.7
Enterprise	17.4	16.6	51.0	49.9
Broadband	4.6	4.6	13.8	13.8
Consolidated amortization	<u>\$ 44.0</u>	<u>\$ 44.1</u>	<u>\$ 130.9</u>	<u>\$ 132.4</u>

- (1) Operating income includes restructuring charges of \$1.4 million and \$1.6 million for the three months ended September 30, 2013 and 2012, respectively. Operating income includes restructuring charges for the nine months ended September 30, 2013 and 2012 of \$9.9 million and \$16.7 million, respectively. Operating income for the nine months ended September 30, 2013 and 2012 includes asset impairment charges of \$5.6 million and \$38.3 million, respectively.
- (2) Operating income includes goodwill impairment charges of \$7.3 million and \$36.2 for the three and nine months ended September 30, 2013, respectively. Operating income includes restructuring charges of \$3.5 and \$6.0 million for the three and nine months ended September 30, 2013, respectively. The three and nine months ended September 30, 2012 included warranty charges of \$5.7 million and \$8.8 million, respectively, related to products sold in 2006 and 2007.
- (3) Excludes amortization of deferred financing fees and original issue discount.

[Table of Contents](#)

Sales to customers located outside of the United States comprised 44.2% and 44.0% of total net sales for the three and nine months ended September 30, 2013, respectively, compared to 47.1% and 47.0%, respectively, for the three and nine months ended September 30, 2012. Sales by geographic region, based on the destination of product shipments, were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
	(in millions)			
United States	\$ 495.4	\$ 472.9	\$1,473.5	\$1,310.2
Europe, Middle East and Africa (EMEA)	182.6	179.6	512.6	506.4
Asia Pacific (APAC)	125.1	148.4	389.8	413.8
Central and Latin America (CALA)	65.8	76.5	201.0	183.6
Canada	19.1	16.6	56.7	59.7
Consolidated net sales	<u>\$ 888.0</u>	<u>\$ 894.0</u>	<u>\$2,633.6</u>	<u>\$2,473.7</u>

9. RESTRUCTURING COSTS

Beginning in the third quarter of 2011 and continuing into 2013, the Company has initiated restructuring actions to realign and lower its cost structure primarily through workforce reductions and other cost reduction initiatives at various U.S. and international facilities. The Company's net pretax restructuring charges, by segment, were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Wireless	\$ 1,353	\$ 1,613	\$ 9,935	\$16,653
Enterprise	87	—	542	26
Broadband	3,460	11	5,956	326
Total	<u>\$ 4,900</u>	<u>\$ 1,624</u>	<u>\$16,433</u>	<u>\$17,005</u>

The activity within the liability established for these restructuring actions, which is included in other accrued liabilities, was as follows:

	Employee- Related Costs	Lease Termination Costs	Fixed Asset Related Costs	Asset Impairment Costs	Total
Balance as of June 30, 2013	\$ 13,409	\$ 2,244	\$ —	\$ —	\$ 15,653
Additional charge recorded	1,136	(12)	2,422	1,354	4,900
Cash paid	(8,323)	(547)	(2,422)	—	(11,292)
Foreign exchange and other non-cash items	96	22	—	(1,354)	(1,236)
Balance as of September 30, 2013	<u>\$ 6,318</u>	<u>\$ 1,707</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 8,025</u>
Balance as of December 31, 2012	\$ 19,228	\$ 1,253	\$ —	\$ —	\$ 20,481
Additional charge recorded	8,855	1,790	2,923	2,865	16,433
Cash paid	(21,623)	(1,314)	(2,923)	—	(25,860)
Foreign exchange and other non-cash items	(142)	(22)	—	(2,865)	(3,029)
Balance as of September 30, 2013	<u>\$ 6,318</u>	<u>\$ 1,707</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 8,025</u>

Employee-related costs include the expected severance costs and related benefits as well as any one-time severance benefits that are accrued over the remaining period employees are required to work in order to receive such benefits.

Lease termination costs relate to the cost of vacating leased facilities, net of anticipated sub-rental income.

Fixed asset related costs include costs to uninstall, pack, ship and reinstall manufacturing equipment and the costs to prepare the receiving facility to accommodate relocated equipment as well as demolition costs for the Orland Park, Illinois former manufacturing facility. These costs are expensed as incurred.

[Table of Contents](#)

As a result of restructuring and consolidation actions, the Company owns unutilized real estate at various facilities in the U.S. and internationally. The Company is attempting to sell or lease this unutilized space. Additional impairment charges may be incurred related to these or other excess assets.

Since the inception of the initiatives begun in 2011, the Company has recognized restructuring charges of \$58.1 million. The additional pretax costs related to completing restructuring actions initiated to date are not expected to be significant. Cash payments of approximately \$2.0 million to \$3.0 million are expected during the remainder of 2013 with an additional \$5.0 million to \$6.0 million expected to be paid by the end of 2015. Additional restructuring actions may be taken and the resulting charges and cash requirements could be material.

10. EMPLOYEE BENEFIT PLANS

	Pension Benefits		Other Postretirement Benefits	
	Three Months Ended			
	September 30,			
	2013	2012	2013	2012
Service cost	\$ 112	\$ 102	\$ 62	\$ 75
Interest cost	2,868	3,181	228	550
Recognized actuarial loss (gain)	102	104	70	(15)
Amortization of prior service credits	—	—	(2,404)	(1,694)
Expected return on plan assets	(3,579)	(3,173)	(16)	(41)
Net periodic benefit cost (income)	<u>\$ (497)</u>	<u>\$ 214</u>	<u>\$(2,060)</u>	<u>\$(1,125)</u>

	Nine Months Ended			
	September 30,			
	2013	2012	2013	2012
Service cost	\$ 334	\$ 305	\$ 186	\$ 226
Interest cost	8,643	9,537	684	1,650
Recognized actuarial loss (gain)	352	389	209	(46)
Amortization of prior service credits	—	—	(7,213)	(5,080)
Expected return on plan assets	(10,758)	(9,515)	(47)	(124)
Net periodic benefit cost (income)	<u>\$ (1,429)</u>	<u>\$ 716</u>	<u>\$(6,181)</u>	<u>\$(3,374)</u>

The Company contributed \$13.2 million and \$21.7 million to its pension plans during the three and nine months ended September 30, 2013, respectively. During the remainder of 2013, the Company anticipates making additional contributions of approximately \$0.3 million to these plans. The Company contributed \$1.0 million and \$3.0 million to its other postretirement benefit plans during the three and nine months ended September 30, 2013, respectively, and anticipates making additional contributions of approximately \$1.0 million to these plans during the remainder of 2013.

11. STOCKHOLDERS' EQUITY

Dividend

On May 28, 2013, the Company's Board of Directors declared a dividend of \$2.21 per share of its common stock. The dividend paid on May 28, 2013 was \$342.8 million. On June 28, 2013, the Company's Board of Directors declared a dividend of \$1.26 per share of its common stock, (collectively with the May 28, 2013 dividend, the 2013 dividends). The dividend paid on June 28, 2013 was \$195.9 million.

In accordance with the antidilution provisions of the Company's stock incentive plans, the exercise prices of options that were granted following the Carlyle acquisition were adjusted to reflect the 2013 dividends. Cash payments of \$7.2 million and \$4.1 million were made to stock option holders of options granted prior to the Carlyle acquisition in lieu of a reduction in exercise prices, on the May and June dividend, respectively. The cash payments and repricings had no effect on the vesting schedules or expiration dates of the stock options and resulted in no additional compensation expense.

Equity-Based Compensation Plans

As of September 30, 2013, \$21.9 million of total unrecognized compensation costs related to non-vested stock options and share unit awards are expected to be recognized over a remaining weighted average period of 2.0 years. The share

[Table of Contents](#)

unit awards are payable in cash and are accounted for as liability awards. Following the initial public offering, the share unit awards may, at the Company's discretion, be settled in stock. There were no significant capitalized equity-based compensation costs at September 30, 2013. The Company intends to settle the share unit awards that vest in January 2014 in cash.

Stock Options

During the nine months ended September 30, 2013, the Board of Directors modified the 2012 performance targets for certain stock options. As a result of this change, the Company determined a new fair value as of the modification date and recognized expense of \$2.4 million. The following table summarizes the stock option activity (in thousands, except per share amounts):

	Shares	Weighted Average Option Exercise Price Per Share	Weighted Average Grant Date Fair Value Per Share
Outstanding as of June 30, 2013	11,319	\$ 6.13	
Forfeited	(282)	\$ 5.78	\$ 3.89
Outstanding as of September 30, 2013 (1)	<u>11,037</u>	\$ 6.14	
Exercisable at September 30, 2013	6,132	\$ 6.13	
Expected to vest	4,838		
Outstanding as of December 31, 2012	10,206	\$ 8.33	
Granted	713	\$ 12.38	\$ 4.69
Adjustment related to 2012 performance	463	\$ 9.19	\$ 5.10
Exercised	(31)	\$ 9.14	
Forfeited	(314)	\$ 6.21	\$ 3.82
Outstanding as of September 30, 2013 (1)	<u>11,037</u>	\$ 6.14	

- (1) The weighted-average exercise prices at June 30, 2013 and September 30, 2013 reflect the adjustment of \$2.48 per share resulting from the 2013 dividends that was made with respect to options granted after the Carlyle acquisition, as described above.

The exercise prices of outstanding options at September 30, 2013 were in the following ranges:

Range of Exercise Prices	Options Outstanding			Options Exercisable	
	Shares (in thousands)	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price Per Share	Shares (in thousands)	Weighted Average Exercise Price Per Share
\$2.96 to \$5.35	1,476	3.8	\$ 4.04	1,476	\$ 4.04
\$5.36 to \$5.67	1,524	8.4	\$ 5.57	789	\$ 5.57
\$5.68 to \$8.54	5,564	7.3	\$ 5.73	2,095	\$ 5.73
\$8.55 to \$8.90	2,473	6.8	\$ 8.68	1,772	\$ 8.59
\$2.96 to \$8.90	<u>11,037</u>	6.9	\$ 6.14	<u>6,132</u>	\$ 6.13

[Table of Contents](#)

The Company uses the Black-Scholes model to estimate the fair value of stock option awards. Key input assumptions used in the model include the grant date fair value of common stock, exercise price of the award, the expected option term, stock price volatility, estimated marketability discount, the risk-free interest rate and the Company's projected dividend yield. The Company believes that the valuation technique and the approach utilized to develop the underlying assumptions are appropriate in estimating the fair values of its stock options. Estimates of fair value are not intended to predict actual future events or the value ultimately realized by employees who receive equity awards. Subsequent events are not indicative of the reasonableness of the original estimates of fair value made by the Company. The following table presents the weighted average assumptions used to estimate the fair value of stock option awards granted or modified.

	Nine Months Ended September 30,	
	2013	2012
Expected option term (in years)	3.0	3.9
Risk-free interest rate	0.4%	0.6%
Expected volatility	75.0%	75.0%
Estimated marketability discount	15.0%	30.0%
Expected dividend yield	— %	— %
Weighted average exercise price	\$12.38	\$10.33
Weighted average fair value at grant date	\$ 4.69	\$ 3.19

Other

Share unit award expense of \$4.0 million and \$2.5 million for the nine months ended September 30, 2013 and 2012, respectively, is included in equity-based compensation as an adjustment to reconcile net income (loss) to net cash generated by operating activities on the Condensed Consolidated Statements of Cash Flows.

12. SUBSEQUENT EVENTS

On October 4, 2013, the Company's Board of Directors approved a 3-for-1 stock split of the Company's outstanding common stock and an increase in authorized capital stock to 1,300,000,000 shares of common stock and 200,000,000 shares of preferred stock, which were effective as of October 4, 2013. The number of shares of common stock into which each outstanding option to purchase common stock is exercisable was proportionally increased and the exercise price of each outstanding option to purchase common stock was proportionally decreased. All of the share numbers, share prices, and exercise prices and other per share information throughout these financial statements have been adjusted on a retroactive basis, to reflect this 3-for-1 split, including revising common stock and additional paid-in capital to reflect the additional outstanding shares (\$0.01 par value per share) resulting from the split.

In October 2013, the Company completed an initial public offering (IPO) of its common stock. The Company issued 30.8 million shares of common stock and the funds affiliated with Carlyle (Carlyle funds) sold 7.7 million shares, reducing the Carlyle funds' ownership to approximately 77.9%. The underwriters have an option to purchase an additional 5.8 million shares from the Carlyle funds within 30 days of the IPO. If fully exercised, this would reduce the Carlyle funds' ownership to approximately 74.8%. The Company raised \$433 million, net of transaction costs, from the IPO.

Subsequent to the IPO, the Company issued redemption notices for \$400.0 million of its 8.25% senior notes. The Company expects to pay a redemption price of 108.25% plus accrued and unpaid interest to the redemption date (November 25, 2013).

In October 2013, the Company paid Carlyle a fee of approximately \$20.2 million to terminate the management agreement.

Also in October 2013, the Company filed a registration statement on Form S-8 to register 31.6 million shares of its common stock for issuance under our equity incentive plans.

Following the IPO, Moody's Investors Service upgraded CommScope Holding Company, Inc.'s corporate family rating to B1 from B2 with a stable outlook and Standard & Poor's Ratings Services raised its corporate credit ratings on CommScope Holding Company Inc. and CommScope Inc. to BB- from B+, with a stable outlook.

On November 6, 2013, the Company announced that in order to improve manufacturing facility utilization, it would be closing the Joliet, Illinois manufacturing operation and shifting the production to existing facilities in North Carolina and to third party suppliers. This action is expected to be substantially completed by the second quarter of 2014 and will impact approximately 200 employees in Joliet and result in non-cash asset impairment charges of up to \$10 million and restructuring charges that will require cash of approximately \$15 million.

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

The following narrative is an analysis of the three and nine months ended September 30, 2013 compared to the three and nine months ended September 30, 2012. The discussion is provided to increase the understanding of, and should be read in conjunction with, the unaudited condensed consolidated financial statements and accompanying notes included in this document as well as the audited consolidated financial statements, related notes thereto and management's discussion and analysis of financial condition and results of operations, including management's discussion and analysis regarding the application of critical accounting policies as well as the risk factors, included in our audited consolidated financial statements.

Overview

We are a global provider of essential infrastructure solutions for wireless, business enterprise and residential broadband networks. Our solutions and services for wired and wireless networks enable high-bandwidth data, video and voice applications. Our global position is built upon innovative technology, broad solution offerings, high-quality and cost-effective customer solutions and global manufacturing and distribution scale.

CRITICAL ACCOUNTING POLICIES

There have been no changes in our critical accounting policies or significant accounting estimates as disclosed in our audited consolidated financial statements.

COMPARISON OF RESULTS OF OPERATIONS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2013 WITH THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2012

	Three Months Ended September 30,				Dollar Change	% Change
	2013		2012			
	Amount	% of Net Sales	Amount	% of Net Sales		
	(dollars in millions, except per share amounts)					
Net sales	\$ 888.0	100.0%	\$ 894.0	100.0%	\$ (6.0)	(0.7)%
Gross profit	310.2	34.9	302.8	33.9	7.4	2.4
SG&A expense	122.4	13.8	114.8	12.8	7.6	6.6
R&D expense	31.8	3.6	31.0	3.5	0.8	2.6
Amortization of purchased intangible assets	44.0	5.0	44.1	4.9	(0.1)	(0.2)
Restructuring costs	4.9	0.6	1.6	0.2	3.3	206.3
Asset impairments	7.3	0.8	38.3	4.3	(31.0)	(80.9)
Net interest expense	53.3	6.0	45.2	5.1	8.1	17.9
Other expense, net	3.4	0.4	1.8	0.2	1.6	88.9
Income tax expense	31.8	3.6	20.7	2.3	11.1	53.6
Net income	\$ 11.3	1.3%	\$ 5.3	0.6%	\$ 6.0	113.2%
Diluted earnings per share	\$ 0.07		\$ 0.03			

	Nine Months Ended September 30,					
	2013		2012		Dollar Change	% Change
	Amount	% of Net Sales	Amount	% of Net Sales		
	(dollars in millions, except per share amounts)					
Net sales	\$2,633.6	100.0%	\$2,473.7	100.0%	\$159.9	6.5%
Gross profit	909.1	34.5	783.3	31.7	125.8	16.1
SG&A expense	354.8	13.5	337.7	13.7	17.1	5.1
R&D expense	95.6	3.6	88.8	3.6	6.8	7.7
Amortization of purchased intangible assets	130.9	5.0	132.4	5.4	(1.5)	(1.1)
Restructuring costs	16.4	0.6	17.0	0.7	(0.6)	(3.5)
Asset impairments	41.8	1.6	38.3	1.5	3.5	9.1
Net interest expense	145.6	5.5	140.5	5.7	5.1	3.6
Other expense, net	8.7	0.3	8.3	0.3	0.4	4.8
Income tax expense	87.0	3.3	26.4	1.1	60.6	229.5%
Net income (loss)	\$ 28.3	1.1%	\$ (6.1)	(0.2)%	\$ 34.4	NM
Diluted earnings (loss) per share	\$ 0.18		\$ (0.04)			

NM — Not meaningful

Net sales

For the three months ended September 30, 2013, the decrease in net sales was attributable to lower net sales in our Broadband segment partially offset by higher sales in our Wireless segment. The increase in net sales for the nine months ended September 30, 2013 as compared to the corresponding prior year period was attributable to higher Wireless segment net sales that were partially offset by lower net sales in our Broadband and Enterprise segments. Net sales on a year-over-year basis were higher in the U.S. in both the three and nine months ended September 30, 2013, but lower in the Asia Pacific (APAC) region for both the three and nine months ended September 30, 2013, than the comparable prior year periods. Although net sales in the Central and Latin America (CALA) region were lower in the three months ended September 30, 2013, CALA net sales were higher in the nine months ended September 30, 2013 as compared to the same period in 2012. Foreign exchange rate changes had a negative impact on net sales of \$5.0 million and \$9.9 million for the three and nine months ended September 30, 2013, respectively, as compared to the same 2012 periods. For further details by segment, see the section titled “Segment Results” below.

Gross profit (net sales less cost of sales)

The improvement in gross profit and gross profit margin for the three months ended September 30, 2013 was primarily due to charges of \$5.7 million recorded in the three months ended September 30, 2012 related to a Broadband product warranty matter. For the nine months ended September 30, 2013, gross profit and gross profit margin increased primarily due to higher sales volumes, a favorable change in the mix of products sold and benefits from cost savings initiatives.

Selling, general and administrative expense

Selling, general and administrative (SG&A) expense increased for the three and nine months ended September 30, 2013 as compared to the corresponding 2012 periods due to incremental costs from acquisitions (iTRACS and Redwood), increases in equity-based compensation expense, increases in compensation expense as a result of expanded sales efforts in emerging markets, particularly within the Enterprise segment, and higher sales commissions. SG&A expense for the nine months ended September 30, 2013 was also higher than the corresponding prior year period due to an increase in cash incentive compensation partially offset by a decrease in bad debt expense.

Research and development

Research and development (R&D) expense was higher for the three and nine months ended September 30, 2013 as compared to the comparable prior year periods. Increases in R&D expense in the three months ended September 30, 2013 from iTRACS and Redwood were partially offset by reductions in R&D expense in the Wireless segment as a result of restructuring actions that were initiated in 2012. The increase in R&D expense for the nine months ended September 30, 2013 over the prior year period was due to the iTRACS and Redwood acquisitions and increased equity-

[Table of Contents](#)

based compensation, partially offset by the reductions in the Wireless segment that resulted from the restructuring actions. R&D expense as a percentage of net sales for the three and nine months ended September 30, 2013 was comparable to the prior year periods. R&D activities generally relate to ensuring that our products are capable of meeting the developing technological needs of our customers, bringing new products to market and modifying existing products to better serve our customers.

Amortization of purchased intangible assets

The amortization of purchased intangible assets was \$0.1 million and \$1.5 million lower in the three and nine months ended September 30, 2013, respectively, as compared to the prior year periods due to impairment charges that were recognized on certain intangible assets in the three months ended September 30, 2012, partially offset by the additional amortization resulting from the acquisitions of iTRACS and Redwood. The amortization is primarily related to intangible assets established as a result of applying acquisition accounting following the Carlyle acquisition of CommScope, Inc.

Restructuring costs

We recognized net restructuring costs of \$4.9 million and \$16.4 million during the three and nine months ended September 30, 2013, respectively, compared with \$1.6 million and \$17.0 million during the three and nine months ended September 30, 2012, respectively. The restructuring costs recognized in 2013 and 2012 were primarily related to announced workforce reductions and other cost reduction initiatives at various U.S. and international facilities.

Additional pretax costs related to completing actions announced to date are not expected to be significant. Additional restructuring actions may be identified and resulting charges and cash requirements could be material.

Asset impairments

We recognized impairment charges of \$7.3 million and \$41.8 million in the three and nine months ended September 30, 2013, respectively. The impairment charges were primarily related to the impairment of goodwill in the Broadband segment. We recognized impairment charges of \$38.3 million in the three and nine months ended September 30, 2012 related to long-lived assets in the Wireless segment.

Net interest expense

We incurred net interest expense of \$53.3 million and \$145.6 million during the three and nine months ended September 30, 2013, respectively, compared to \$45.2 million and \$140.5 million for the three and nine months ended September 30, 2012, respectively. As a result of amending the senior secured term loan during the first quarter of 2013, primarily to lower the interest rate, interest expense included a write-off of deferred financing costs and original issue discount of \$0.5 million. The amendments to the senior secured term loan and asset-based revolving credit facility during the first quarter of 2012 resulted in a write-off of deferred financing costs and original issue discount of \$3.1 million which was included in interest expense. We incurred \$9.5 million and \$13.0 million of interest expense during the three and nine months ended September 30, 2013, respectively, on the senior PIK toggle notes issued in May 2013. Excluding the charges related to the refinancings and the interest expense from the senior PIK toggle notes, net interest expense decreased in the three and nine months ended September 30, 2013 compared to the prior year periods primarily due to interest savings resulting from the amendments to the senior secured term loan.

Our weighted average effective interest rate on outstanding borrowings, including the amortization of deferred financing costs and original issue discount, was 7.09% as of September 30, 2013, 7.33% as of December 31, 2012 and 7.34% as of September 30, 2012.

Other expense, net

Foreign exchange losses of \$2.7 million and \$5.6 million were included in other expense, net for the three and nine months ended September 30, 2013, respectively, compared to \$0.4 million and \$4.3 million for the three and nine months ended September 30, 2012, respectively. We incurred costs of \$1.9 million during the nine months ended September 30, 2013 related to amending our senior secured term loan, compared to costs of \$3.1 million in the nine months ended September 30, 2012, related to the amendments of our senior secured term loan and revolving credit facility. Additionally, other expense, net for the three and nine months ended September 30, 2013 included our share of losses in our equity investments of \$1.1 million and \$1.3 million, respectively, compared to \$1.2 million and \$2.3 million for the three and nine months ended September 30, 2012, respectively. Also included in other expense, net for the nine months ended September 30, 2013 was the write-off of one such equity investment of \$0.8 million.

[Table of Contents](#)

Income taxes

For the three and nine months ended September 30, 2013, income tax expense reflected net increases in valuation allowances of \$4.0 million and \$25.2 million, respectively, related to (1) foreign tax credit carryforwards that we have determined are not likely to be realized, primarily due to an increase in future interest expense expected as a result of current year borrowings and (2) net operating loss carryforwards in certain foreign jurisdictions as a result of changes in profitability. In addition to the impact of the valuation allowances, the effective income tax rate for the three and nine months ended September 30, 2013 was also affected by goodwill impairment charges for which no tax benefit was recognized, losses in certain foreign jurisdictions where we did not recognize tax benefits due to the likelihood of them not being realizable, tax costs associated with repatriation of foreign earnings and adjustments related to prior years' tax returns in various jurisdictions.

Income tax expense for the three and nine months ended September 30, 2012 reflected net increases in valuation allowances in foreign jurisdictions, adjustments related to filing the 2011 U.S. federal income tax return and additional expense related to uncertain tax positions. In addition to these items, the effective income tax rate for the prior year periods was also impacted by losses in certain foreign jurisdictions where we did not recognize tax benefits due to the likelihood of them not being realizable and tax costs associated with repatriation of foreign earnings.

Excluding the items listed above, the effective income tax rate for the three and nine months ended September 30, 2013 and 2012 was higher than the statutory rate of 35% primarily due to the provision for state income taxes and certain tax costs associated with repatriation of foreign earnings. We expect to continue to provide for U.S. taxes on substantially all of our current year foreign earnings in anticipation that such earnings will be repatriated to the U.S.

Segment Results

	Three Months Ended September 30,				Dollar Change	% Change
	2013		2012			
	Amount	% of Net Sales	Amount	% of Net Sales		
	(dollars in millions)					
Net sales by segment:						
Wireless	\$552.6	62.2%	\$535.5	59.9%	\$ 17.1	3.2%
Enterprise	212.2	23.9	212.0	23.7	0.2	0.1
Broadband	124.6	14.0	148.0	16.6	(23.4)	(15.8)
Inter-segment eliminations	(1.4)	(0.1)	(1.5)	(0.2)	0.1	
Consolidated net sales	<u>\$888.0</u>	100.0%	<u>\$894.0</u>	100.0%	<u>\$ (6.0)</u>	(0.7)%
Total domestic sales	\$495.4	55.8%	\$472.9	52.9%	\$ 22.5	4.8%
Total international sales	392.6	44.2	421.1	47.1	(28.5)	(6.8)
Total worldwide sales	<u>\$888.0</u>	100.0%	<u>\$894.0</u>	100.0%	<u>\$ (6.0)</u>	(0.7)%
Operating income (loss) by segment:						
Wireless	\$ 90.3	16.3%	\$ 36.7	6.9%	\$ 53.6	146.0%
Enterprise	21.7	10.2	34.6	16.3	(12.9)	(37.3)
Broadband	(12.2)	(9.8)	1.7	1.1	(13.9)	NM
Consolidated operating income	<u>\$ 99.8</u>	11.2%	<u>\$ 73.0</u>	8.2%	<u>\$ 26.8</u>	36.7%

[Table of Contents](#)

	Nine Months Ended September 30,					
	2013		2012		Dollar Change	% Change
	Amount	% of Net Sales	Amount	% of Net Sales		
(dollars in millions)						
Net sales by segment:						
Wireless	\$1,640.6	62.3%	\$1,401.1	56.6%	\$239.5	17.1%
Enterprise	622.7	23.6	637.8	25.8	(15.1)	(2.4)
Broadband	375.5	14.3	439.2	17.7	(63.7)	(14.5)
Inter-segment eliminations	(5.2)	(0.2)	(4.4)	(0.1)	(0.8)	
Consolidated net sales	<u>\$2,633.6</u>	100.0%	<u>\$2,473.7</u>	100.0%	<u>\$159.9</u>	6.5%
Total domestic sales	\$1,473.5	56.0%	\$1,310.2	53.0%	\$163.3	12.5%
Total international sales	1,160.1	44.0	1,163.5	47.0	(3.4)	(0.3)
Total worldwide sales	<u>\$2,633.6</u>	100.0%	<u>\$2,473.7</u>	100.0%	<u>\$159.9</u>	6.5%
Operating income (loss) by segment:						
Wireless	\$ 246.0	15.0%	\$ 65.4	4.7%	\$180.6	276.1%
Enterprise	63.7	10.2	93.5	14.7	(29.8)	(31.9)
Broadband	(40.1)	(10.7)	10.2	2.3	(50.3)	NM
Consolidated operating income	<u>\$ 269.6</u>	10.2%	<u>\$ 169.1</u>	6.8%	<u>\$100.5</u>	59.4%

NM — Not meaningful

Wireless Segment

We provide merchant RF wireless network connectivity solutions and small cell distributed antenna systems (DAS) solutions. Our solutions, marketed primarily under the Andrew brand, enable wireless operators to deploy both macro cell sites and small cell DAS solutions to meet 2G, 3G and 4G cellular coverage and capacity requirements. Our macro cell site solutions can be found at wireless tower sites and on rooftops and include base station antennas, microwave antennas, hybrid fiber-feeder and power cables, coaxial cables, connectors, amplifiers, filters and backup power solutions, including fuel cells. Our small cell DAS solutions are primarily composed of distributed antenna systems that allow wireless operators to increase spectral efficiency and thereby extend and enhance cellular coverage and capacity in challenging network conditions such as commercial buildings, urban areas, stadiums and transportation systems.

The Wireless segment experienced an increase in net sales for the three and nine months ended September 30, 2013 as compared to the comparable periods in the prior year primarily as a result of higher capital spending by U.S. wireless operators, including 4G deployments, and sales to a major Middle Eastern wireless operator. These higher sales were partially offset by lower sales in the APAC region in both the three and nine month periods ended September 30, 2013. Foreign exchange rate changes had a negligible negative impact on Wireless segment net sales for the three and nine months ended September 30, 2013 as compared to the same periods in 2012.

We expect demand for our Wireless products to be positively affected by wireless coverage and capacity expansion in emerging markets and growth in mobile data services (including 4G deployments) in developed markets. Uncertainty in the global economy or a particular region may slow the growth or cause a decline in capital spending by wireless operators and negatively impact our net sales.

Wireless segment operating income increased to \$90.3 million and \$246.0 million for the three and nine months ended September 30, 2013, respectively, as compared to the comparable periods in the prior year. Wireless segment operating income for the three and nine months ended September 30, 2013 increased as compared to the prior year periods primarily due to the higher level of net sales, with additional benefit from favorable mix of products sold and the benefit of cost reduction initiatives, partially offset by the impact of foreign exchange rate changes. The increase in the three months ended September 30, 2013 as compared to the three months ended September 30, 2012 was partially due to \$38.3 million of asset impairment charges that had been recorded in the three months ended September 30, 2012. Restructuring charges were \$0.2 million and \$6.8 million lower in the three and nine months ended September 30, 2013 as compared the 2012 periods. Operating income during the first nine months of 2012 included a charge of \$2.0 million related to prior years' customs and duties obligations.

Enterprise Segment

We provide enterprise connectivity solutions for data centers and commercial buildings. Our offerings include voice, video, data and converged solutions that support mission-critical, high-bandwidth applications including storage area networks, streaming media, data backhaul, cloud applications and grid computing. These comprehensive solutions, sold primarily under the SYSTIMAX and Uniprise brands, include optical fiber and twisted pair structured cabling solutions, intelligent infrastructure software, network rack and cabinet enclosures, intelligent building sensors, advance LED lighting control systems and network design services.

Enterprise segment net sales were essentially unchanged in the three months ended September 30, 2013 as lower sales in the APAC region were offset by higher sales in all other major geographic regions. The Enterprise segment experienced a decrease in net sales for the nine months ended September 30, 2013 compared to the same period in the prior year primarily due to lower net sales in the EMEA region, reflecting the continued economic slowdown in Europe, and the APAC region. Foreign exchange rate changes had a negligible negative impact on Enterprise segment net sales for the three and nine months ended September 30, 2013 as compared to the comparable 2012 periods. Net sales for the three and nine months ended September 30, 2013 that resulted from the 2013 acquisitions of iTRACS and Redwood were immaterial.

We expect long-term demand for Enterprise products to be driven by global information technology and data center spending as the ongoing need for bandwidth and intelligence in the network continues to create demand for high-performance structured connectivity solutions in the enterprise market. Uncertain global economic conditions, an ongoing slowdown in commercial construction activity, uncertain levels of information technology spending and reductions in the levels of distributor inventories may negatively affect demand for our products.

The decrease in Enterprise segment operating income for the three months ended September 30, 2013 as compared to the prior year period was primarily attributable to the impact of iTRACS and Redwood, as investments are made to develop product offerings and integrate the acquired businesses. For the three and nine months ended September 30, 2013, iTRACS and Redwood decreased operating income by \$6.3 million and \$9.0 million, respectively. In addition to the impact of iTRACS and Redwood, lower net sales and unfavorable product mix negatively affected Enterprise operating income in the nine months ended September 30, 2013.

Broadband Segment

We provide cable and communications products that support the multi-channel video, voice and high-speed data services provided by multi-system operators (MSOs). We are a global manufacturer of coaxial cable for hybrid fiber coaxial networks globally and a supplier of fiber optic cable for North American MSOs.

Broadband segment net sales decreased for the three and nine months ended September 30, 2013 as compared to the comparable prior year periods in all major geographic regions as a result of the completion of large scale international projects and the impact of decreased U.S. federal stimulus spending. Foreign exchange rate changes had a negligible negative impact on Broadband segment net sales for the three and nine months ended September 30, 2013 as compared to the prior year periods.

We expect demand for Broadband products to continue to be influenced by ongoing maintenance requirements of cable networks, cable providers' competition with telecommunication service providers and activity in the residential construction market. Spending by our Broadband customers on maintaining and upgrading networks is expected to continue to be influenced by uncertain regional and global economic conditions.

Broadband segment operating income decreased \$13.9 million and \$50.3 million during the three and nine months ended September 30, 2013, respectively, as compared to the prior year periods primarily due to goodwill impairment charges of \$7.3 million and \$36.2 million in the three and nine months ended September 30, 2013, respectively. Broadband segment operating results were also negatively impacted by higher restructuring charges (\$3.4 million increase and \$5.6 million increase in the three and nine months ended September 30, 2013, respectively), lower net sales and unfavorable mix in the 2013 periods and continued investment in new technologies.

LIQUIDITY AND CAPITAL RESOURCES

The following table summarizes certain key measures of our liquidity and capital resources.

	September 30, 2013	December 31, 2012	Dollar Change	% Change
	(dollars in millions)			
Cash and cash equivalents	\$ 312.0	\$ 264.4	\$ 47.6	18.0%
Working capital, excluding cash and cash equivalents and current portion of long-term debt	\$ 588.2	\$ 484.0	\$104.2	21.5%
Availability under revolving credit facility	\$ 328.7	\$ 330.8	\$ (2.1)	(0.6)%
Long-term debt, including current portion	\$ 3,014.8	\$ 2,470.8	\$544.0	22.0%
Total capitalization (1)	\$ 3,672.8	\$ 3,653.1	\$ 19.7	0.5%
Long-term debt as a percentage of total capitalization	82.1%	67.6%		

(1) Total capitalization includes long-term debt, including the current portion, and stockholders' equity.

Our principal sources of liquidity on a short-term basis are cash and cash equivalents, cash flows provided by operations and availability under credit facilities. On a long-term basis, our potential sources of liquidity also include raising capital through the issuance of debt and/or equity. The primary uses of liquidity include funding working capital requirements (primarily inventory and accounts receivable, net of accounts payable and other accrued liabilities), debt service requirements, capital expenditures, acquisitions, payment of certain restructuring costs, and pension and other postretirement obligations.

The increase in cash and cash equivalents during the first nine months of 2013 as compared with the comparable period in the prior year was primarily driven by \$151.3 million of cash from operations that was partially offset by the \$55.8 million paid to acquire iTRACS and Redwood, the final payment due for the acquisition of Argus and the payment of \$13.1 million in debt issuance costs related to the refinancing and the Senior PIK toggle notes. The increase in working capital, excluding cash and cash equivalents and current portion of long-term debt is primarily due to the increase in the levels of inventory and accounts receivable resulting from higher net sales as compared with the comparable period in prior year. The increase in long-term debt was primarily the result of our issuance of \$550.0 million of senior PIK toggle notes. The net change in total capitalization during the first nine months of 2013 reflects the increase in long-term debt offset by \$550.0 million of stockholder dividends and distributions to option holders.

Cash Flow Overview

	Nine Months Ended		Dollar Change
	September 30,		
	2013	2012	
	(dollars in millions)		
Net cash generated by operating activities	\$ 151.3	\$ 53.9	\$ 97.4
Net cash used in investing activities	\$ (79.4)	\$ (27.4)	\$(52.0)
Net cash used in financing activities	\$ (21.4)	\$ (95.4)	\$ 74.0

Operating Activities

Cash flow generated by operations during the nine months ended September 30, 2013 increased as compared to the prior year period primarily due to increased operating earnings (excluding non-cash impairment charges), partially offset by an increase in working capital.

Investing Activities

During the nine months ended September 30, 2013, we paid \$55.8 million in connection with the acquisitions of iTRACS and Redwood and the final payment due for the acquisition of Argus.

Investment in property, plant and equipment during the nine months ended September 30, 2013 was \$27.7 million. We currently expect total capital expenditures of approximately \$40.0 million in 2013 compared to \$28.0 million in 2012. Capital expenditures for 2013 are anticipated to primarily relate to supporting improvements to manufacturing operations as well as investments in information technology.

Financing Activities

During the nine months ended September 30, 2013, we issued \$550.0 million of senior PIK toggle notes and amended our senior secured term loan, primarily to lower the interest rate. The amendment resulted in the repayment of \$32.0 million to certain lenders who exited the senior secured term loan and the receipt of \$32.0 million in proceeds from new lenders and existing lenders who increased their positions. Also during the nine months ended September 30, 2013, we paid cash dividends of \$538.7 million to common shareholders and distributions to certain option holders of \$11.3 million in lieu of repricing their stock options due to the dividend. We borrowed and repaid \$165.0 million under the revolving credit facility and repaid \$7.5 million of our senior secured term loan during the nine months ended September 30, 2013. As of September 30, 2013, we had no outstanding borrowings and the remaining availability under our \$400.0 million revolving credit facility was approximately \$328.7 million, reflecting a borrowing base of \$385.4 million reduced by \$56.7 million of letters of credit issued under the revolving credit facility.

Future Cash Needs

We expect that our primary future cash needs will be debt service, funding working capital requirements, capital expenditures, paying certain restructuring costs and funding pension and other postretirement benefit obligations. We paid \$25.9 million of restructuring costs during the nine months ended September 30, 2013 and expect to pay \$2.0 million to \$3.0 million during the remainder of 2013 with an additional \$5.0 million to \$6.0 million by the end of 2015 related to restructuring actions that had been initiated prior to September 30, 2013. Any future restructuring actions would likely require additional cash expenditures that may be material. We made contributions of \$24.7 million to pension and other postretirement benefit plans during the nine months ended September 30, 2013 and expect to make additional contributions of \$1.3 million during the balance of 2013. These contributions include those required to comply with an agreement with the Pension Benefit Guaranty Corporation. As of September 30, 2013, we have an unfunded obligation related to pension and other postretirement benefits that we expect will be funded from existing cash balances and cash flow from future operations. In addition to the \$9.8 million we paid in July 2013 in conjunction with the acquisition of Redwood, we may be required to pay up to an additional \$49.0 million of additional consideration and retention payments in 2015 if certain net sales targets are met (See Note 2 to the Unaudited Condensed Consolidated Financial Statements).

In October 2013, the Company completed an initial public offering (IPO) of its common stock. The Company issued 30.8 million shares of common stock and raised \$433 million, net of transaction costs from the IPO. The Company intends to use the proceeds from the IPO to redeem \$400 million of its 8.25% senior notes, plus a redemption premium and accrued interest during the fourth quarter of 2013. Also in October 2013, the Company paid Carlyle a fee of approximately \$20.2 million to terminate the management agreement.

We may repay existing debt or repurchase our remaining 8.25% senior notes or our senior PIK toggle notes, if market conditions are favorable. We may also pursue additional strategic acquisition opportunities, which may impact our future cash requirements.

Under the terms of our 8.25% senior notes and senior PIK toggle notes, among other limitations, there is a limitation on certain future borrowings based on an adjusted leverage ratio or a fixed charge coverage ratio. These ratios are based on pro forma adjusted EBITDA for the trailing twelve months, which is calculated as earnings before interest, taxes, depreciation, amortization, asset impairment charges, restructuring costs, equity-based compensation, other special items and adjustments to reflect the impact of cost reduction initiatives (\$14.6 million for the twelve months ended September 30, 2013) and acquisitions (a loss of \$8.1 million for the twelve months ended September 30, 2013) so that their impacts are fully reflected in the twelve-month period used in the calculation of the adjusted leverage ratio. For the twelve months ended September 30, 2013, our pro forma adjusted EBITDA as measured pursuant to our notes indentures is \$668.6 million. See Exhibit 4.2 and 4.4 to Amendment No. 2 to our Registration Statement on Form S-1 filed September 12, 2013 for the indenture agreements governing our senior notes.

We believe that our existing cash and cash equivalents and cash flows from operations, combined with availability under our senior secured asset-based revolving credit facility, will be sufficient to meet our presently anticipated future cash needs. We may, from time to time, increase borrowings under our revolving credit facility or issue debt and/or equity, if market conditions are favorable, to meet our future cash needs or to reduce our borrowing costs.

FORWARD-LOOKING STATEMENTS

This Quarterly Report or any other oral or written statements made by us or on our behalf may include forward-looking statements which reflect our current views with respect to future events and financial performance. These forward-looking statements are identified by their use of such terms and phrases as “intend,” “goal,” “estimate,” “expect,” “project,” “projections,” “plans,” “anticipate,” “should,” “designed to,” “foreseeable future,” “believe,” “think,” “scheduled,” “outlook,” “guidance” and similar expressions. This list of indicative terms and phrases is not intended to be all-inclusive.

These statements are subject to various risks and uncertainties, many of which are outside our control, including, without limitation, continued global economic weakness and uncertainties and disruption in the credit and financial markets; changes in cost and availability of key raw materials and manufactured parts and the potential effect on customer pricing; delays or challenges related to removing, transporting or reinstalling manufacturing equipment; the ability to retain qualified employees; customer demand for our products and the ability to maintain existing business alliances with key customers or distributors; competitive pricing and acceptance of products; industry competition and the ability to retain customers through product innovation; concentration of sales among a limited number of customers or distributors; customer bankruptcy; the risk that internal production capacity and that of contract manufacturers may be insufficient to meet customer demand or quality standards for our products; the risk that customers might cancel orders placed or that orders currently placed may affect order levels in the future; continuing consolidation among customers; possible production disruption due to supplier or contract manufacturer bankruptcy, reorganization, restructuring or manufacturing disruption; successful ongoing operation of our vertical integration activities; the possibility of further restructuring actions; possible future impairment charges for fixed or intangible assets, including goodwill; increased obligations under employee benefit plans; significant international operations and the impact of variability in foreign exchange rates; ability to fully realize anticipated benefits from prior or future acquisitions or equity investments; substantial indebtedness and maintaining compliance with debt covenants; income tax rate variability and ability to recover amounts recorded as value added tax receivables; changes in tax laws or regulations; product performance issues and associated warranty claims; ability to successfully implement major systems initiatives and maintain critical information systems; our ability to recover on a timely basis from natural or man-made disasters or other disruptions, including data or network security breaches; realignment of global manufacturing capacity; cost of protecting or defending intellectual property; ability to obtain capital on commercially reasonable terms; adequacy and availability of insurance; costs and challenges of compliance with domestic and foreign environmental laws and the effects of climate change; fluctuations in interest rates; the ability to achieve expected sales growth and earnings goals; the outcome of pending and future litigations and proceedings; changes in U.S. tax, health care and other major laws or regulations; authoritative changes in generally accepted accounting principles by standard-setting bodies; political instability; regulatory changes affecting us or the industries we serve; and any statements of belief and any statements of assumptions underlying any of the foregoing. These and other factors are discussed in greater detail in our Registration Statement on Form S-1. The information contained in this Quarterly Report represents our best judgment at the date of this report based on information currently available. However, we are not undertaking any duty or obligation to update this information to reflect developments or information obtained after the date of this report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in the interest rate risk, commodity price risk or foreign currency exchange rate risk discussed in “Management’s discussion and analysis of financial condition and results of operations” included in the Company’s Prospectus filed pursuant to Rule 424(b) under the Securities Act of 1933, as amended, with the SEC on October 28, 2013 (the Prospectus).

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures are effective.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal controls over financial reporting during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The material set forth in Note 1 of Notes to the Condensed Consolidated Financial Statements in Part 1, Item 1 of this Quarterly Report on Form 10-Q is incorporated herein by reference.

ITEM 1A. RISK FACTORS

There have been no material changes from our risk factors as previously reported in the Prospectus.

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

Recent Sales of Unregistered Securities:

None.

Use of Proceeds from our Initial Public Offering of Common Stock

In October 2013, we completed the initial public offering of our common stock pursuant to a registration statement on Form S-1, as amended (File No. 333-190354) that was declared effective on October 24, 2013. Under the registration statement, we registered the offering and sale of an aggregate of 38,461,537 shares of our common stock at a price of \$15.00 per share, of which we sold 30,769,230 shares and the selling stockholder named in the Prospectus sold 7,692,307 shares. The number of shares registered does not include a 30-day option granted by the selling stockholder to the underwriters in the offering to purchase up to 5,769,230 additional shares of common stock, which had not been exercised as of November 1, 2013.

J.P. Morgan Securities LLC, Deutsche Bank Securities Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated acted as joint book running managers of the offering, which closed on October 30, 2013. We raised a total of \$461.5 million in gross proceeds in the initial public offering, or approximately \$433.0 million in net proceeds after deducting underwriting discounts and commissions of \$24.2 million and \$4.3 million of offering-related expenses. We did not receive any proceeds from the sale of shares of common stock by the selling stockholder.

Pursuant to a Notice of Redemption delivered in October 2013, we intend to use all our net proceeds from the offering plus cash on hand to redeem \$400.0 million of our 8.25% senior notes due January 2019, and to pay related premiums and accrued interest prior to December 31, 2013.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 6. EXHIBITS

- 3.1 Amended and Restated Certificate of Incorporation of CommScope Holding Company, Inc.
- 3.2 Second Amended and Restated By-Laws of CommScope Holding Company, Inc. (as adopted October 24, 2013)
- 31.1 Certification of Principal Executive Officer pursuant to Rule 13a-14(a).
- 31.2 Certification of Principal Financial Officer pursuant to Rule 13a-14(a).
- 32.1 Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished pursuant to Item 601(b)(32)(ii) of Regulation S-K).

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.

November 6, 2013
Date

COMMSCOPE HOLDING COMPANY, INC.

/s/ Mark A. Olson

Mark A. Olson

Executive Vice President and Chief Financial Officer

(Principal Financial Officer and duly authorized officer)

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
COMMSCOPE HOLDING COMPANY, INC.

CommScope Holding Company, Inc., a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), hereby certifies as follows:

1. The present name of the Corporation is CommScope Holding Company, Inc.

2. The Corporation was originally incorporated under the name Cedar I Holding Company, Inc., by the filing of its original Certificate of Incorporation with the Secretary of State of the State of Delaware (the "Secretary of State") on October 22, 2010. The original Certificate of Incorporation was subsequently amended on January 6, 2011 to change the Corporation's authorized capital stock, was further amended on January 26, 2011 to change the Corporation's name to CommScope Holding Company, Inc. and was further amended on October 4, 2013 to effect a three (3) for one (1) stock split and increase the number of authorized shares of stock of the Corporation.

3. The Board of Directors of the Corporation duly adopted a resolution pursuant to Sections 141, 242 and 245 of the General Corporation Law of the State of Delaware setting forth this Amended and Restated Certificate of Incorporation, which restates and integrates and also further amends the original Certificate of Incorporation as heretofore amended, declaring this Amended and Restated Certificate of Incorporation to be advisable and directing that it be submitted to the stockholders of the Corporation for their approval. The holders of the Corporation's outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted duly approved and adopted this Amended and Restated Certificate of Incorporation by written consent in accordance with Sections 228, 242 and 245 of the General Corporation Law of the State of Delaware.

4. The Corporation's Certificate of Incorporation is hereby amended and restated in its entirety to read as follows:

FIRST: *Name*. The name of the corporation (hereinafter sometimes referred to as the "Corporation") is:

CommScope Holding Company, Inc.

SECOND: *Registered Office*. The Corporation's registered office in the State of Delaware is 2711 Centerville Road, Suite 400, New Castle County, Wilmington, Delaware 19808. The name of the registered agent of the Corporation at such address is Corporation Service Company.

THIRD: *Purpose*. The Corporation is to have perpetual existence and its purpose is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the "DGCL").

FOURTH: *Capital Stock*. The total number of shares of all classes of stock which the Corporation shall have authority to issue is 1,500,000,000, consisting of: (x) 1,300,000,000 shares of common stock, par value \$0.01 per share (the "Common Stock") and (y) 200,000,000 shares of preferred stock, par value \$0.01 per share (the "Preferred Stock") issuable in one or more series as hereinafter provided.

FIFTH: *Common Stock*. The rights, preferences, privileges and restrictions granted or imposed upon the Common Stock are as follows:

1. Dividends. Subject to the rights of any holders of any shares of Preferred Stock which may from time to time come into existence and be outstanding, the holders of Common Stock shall be entitled to the payment of dividends when and as declared by the board of directors of the Corporation (the "Board") in accordance with applicable law and to receive other distributions from the Corporation. Any dividends declared by the Board to the holders of the then outstanding Common Stock shall be paid to the holders thereof pro rata in accordance with the number of shares of Common Stock held by each such holder as of the record date of such dividend.

2. Liquidation, Dissolution or Winding Up. Subject to the rights of any holders of any shares of Preferred Stock which may from time to time come into existence and be outstanding, in the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the funds and assets of the Corporation that may be legally distributed to the Corporation's stockholders shall be distributed among the holders of the then outstanding Common Stock pro rata in accordance with the number of shares of Common Stock held by each such holder.

3. Voting. Each holder of Common Stock shall be entitled to one (1) vote for each share of Common Stock held by such holder. Each holder of Common Stock shall be entitled to notice of any stockholders' meeting in accordance with the Bylaws of the Corporation (as in effect at the time in question) and applicable law on all matters put to a vote of the stockholders of the Corporation. The number of authorized shares of Common Stock or Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority in voting power of the stock of the Corporation entitled to vote thereon irrespective of the provisions of Section 242(b)(2) of the DGCL (or any successor provision thereto), and no vote of the holders of either the Common Stock or the Preferred Stock voting separately as a class shall be required therefor.

SIXTH: *Preferred Stock*. The Board is hereby expressly authorized, subject to limitation prescribed by law, to provide by resolution or resolutions for the issuance of the shares of Preferred Stock as a class or in one or more series and, by filing a certificate of designation, pursuant to the DGCL, setting forth a copy of such resolution or resolutions to establish from time to time the number of shares to be included in the class or in each such series, and to fix the designations, powers, preferences, and rights of the shares of the class or of each such series and the qualifications, limitations, and restrictions thereof. The authority of the Board with respect to the class or each such series shall include, but not be limited to, determination of the following:

1. the number of shares constituting the class or any series and the distinctive designation of that class or series;

2. the dividend rate or rates on the shares of the class or any series, the terms and conditions upon which and the periods in respect of which dividends shall be payable, whether dividends shall be cumulative, and, if so, from which date or dates, and the relative rights of priority, if any, of payment of dividends on shares of that class or series;

3. whether the class or any series shall have voting rights, in addition to the voting rights provided by law, and, if so, the terms of such voting rights;

4. whether the class or any series shall have conversion privileges and, if so, the terms and conditions of conversion, including provision for adjustment of the conversion rate upon such events as the Board shall determine;

5. whether or not the shares of the class or any series shall be redeemable, and, if so, the terms and conditions of such redemption, including the date or dates upon or after which they shall be redeemable and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates;

6. whether the class or any series shall have a sinking fund for the redemption or purchase of shares of that class or series, and, if so, the terms and amount of such sinking fund;

7. the rights of the shares of the class or any series in the event of voluntary or involuntary dissolution or winding up of the Corporation, and the relative rights of priority, if any, of payment of shares of that class or series; and

8. any other powers, preferences, rights, qualifications, limitations, and restrictions of the class or any series.

Further, subject to limitation prescribed by law, within the limits and restrictions stated in any resolution or resolutions of the Board originally fixing the number of shares constituting any such class or series, the Board is authorized to increase or decrease (but not below the number of shares of such class or series then outstanding) the number of shares of any such class or series subsequent to the issuance of shares of that class or series.

SEVENTH: Management of the Corporation. The following provisions are inserted for the management of the business and for the conduct of the affairs of the Corporation and for the purpose of creating, defining, limiting and regulating the powers of the Corporation and its directors and stockholders:

1. Classified Board. The directors of the Corporation, other than any directors elected by the holders of shares of any class or series of Preferred Stock provided for or fixed pursuant to the provisions of Article Sixth hereof (the "Preferred Stock Directors"), shall be classified with respect to the time for which they severally hold office into three classes, as nearly equal in number as possible, designated as Class I, Class II and Class III. The initial Class I directors shall serve for a term expiring at the first annual meeting of the stockholders following the filing and effectiveness of this Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware (the "Effective Time"), the initial Class II directors shall serve for a term expiring at the second annual meeting of the stockholders following the Effective Time and the initial Class III directors shall serve for a term expiring at the third annual meeting of stockholders following the Effective Time, with directors of each class to hold office until their successors are duly elected and qualified; provided that the term of each director shall continue until the election and qualification of a successor and be subject to such director's earlier death, resignation or removal. At each annual meeting of stockholders of the Corporation beginning with the first annual meeting of stockholders following the Effective Time, subject to any rights of the holders of shares of any class or series of Preferred Stock, the successors of the class of directors whose term expires at that meeting shall be elected to hold office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election; provided that the term of each director shall continue until the election and qualification of a successor and be subject to such director's earlier death, resignation or removal. In the case of any increase or decrease, from time to time, in the authorized number of directors of the Corporation (other than Preferred Stock Directors), the number of

directors in each class shall be apportioned as nearly equal as possible. No decrease in the number of directors shall shorten the term of any incumbent director. The Board is authorized to assign members of the Board already in office to Class I, Class II and Class III.

2. Board Size. Subject to any rights of the holders of shares of any class or series of Preferred Stock to elect directors and the then-applicable terms of the Amended and Restated Stockholders Agreement among the Corporation and certain of its stockholders, dated as of October 24, 2013 (as amended from time to time, the “Stockholders Agreement”), the precise number of directors of the Corporation shall be fixed, and may be altered from time to time, exclusively by a Board resolution adopted by the affirmative vote of a majority of the total number of directors then in office.

3. Removal of Directors. Subject to any rights of the holders of shares of any class or series of Preferred Stock to elect directors and the then-applicable terms of the Stockholders Agreement, (i) until the Trigger Date (as defined in Article Fifteenth), a director may be removed at any time, either for or without cause, upon the affirmative vote of the holders of a majority of the outstanding shares of stock of the Corporation entitled to vote generally for the election of directors, voting together as a single class at any annual or special meeting of the stockholders called for that purpose or by written consent, and (ii) from and after the Trigger Date, a director may be removed only for cause, upon the affirmative vote of the holders of at least three-quarters of the outstanding shares of stock of the Corporation entitled to vote generally for the election of directors, voting together as a single class at any annual or special meeting of the stockholders called for that purpose. For purposes of this Amended and Restated Certificate of Incorporation, “cause” shall mean (i) a final conviction (without any further right of appeal) of a felony involving moral turpitude, or (ii) willful misconduct that is materially and demonstrably injurious economically to the Corporation. For purposes of this definition of “cause,” no act, or failure to act, by a director shall be considered “willful” unless committed in bad faith and without a reasonable belief that the act or failure to act was in the best interest of the Corporation or any affiliate of the Corporation. “Cause” shall not exist unless and until the Corporation has delivered to the director a written notice of the director’s failure to act that constitutes “cause” and, if cure is possible, such director shall not have cured such act or omission within ninety (90) days after the delivery of such notice.

4. Board Vacancies. Subject to any rights of the holders of shares of any class or series of Preferred Stock to elect directors and the then-applicable terms of the Stockholders Agreement, and except as otherwise provided by law, any newly-created directorship on the Board that results from an increase in the number of directors, or any vacancy in the Board that results from the death, disability, resignation, disqualification or removal of any director or from any other cause shall be filled solely by the affirmative vote of a majority of the total number of directors then in office, even if less than a quorum, or by a sole remaining director. Any director so chosen shall hold office until the next election of the class for which such director shall have been chosen and until his or her successor has been elected and qualified, or until his or her earlier death, resignation or removal.

5. Stockholder Action by Written Consent. Until the Trigger Date, any action required or permitted to be taken at an annual or special meeting of stockholders of the Corporation may be taken without a meeting, without prior notice and without a vote of stockholders, if a consent or consents in writing, setting forth the action so taken, are: (i) signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted (but not less than the minimum number of votes otherwise prescribed by law) and (ii) delivered to the Corporation by hand or by certified or registered mail, return receipt requested, to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the books in which proceedings of meetings of stockholders are recorded within 60 days of the earliest dated valid consent so

delivered to the Corporation. From and after the Trigger Date, any action required or permitted to be taken at any annual or special meeting of stockholders of the Corporation may be taken only upon the vote of the stockholders at an annual or special meeting duly called and may not be taken by written consent of the stockholders. The Bylaws of the Corporation may establish procedures regulating the submission by stockholders of nominations and proposals for consideration at meetings of stockholders of the Corporation.

6. Special Meetings. Subject to the special rights of any series of Preferred Stock, a special meeting of the stockholders of the Corporation for any purpose or purposes may be called at any time only by or at the direction of the Board pursuant to a resolution of the Board adopted by a majority of the total number of authorized directors (whether or not there exists any vacancies in previously authorized directorships at the time such resolution is presented to the Board for adoption); provided, that, until the Trigger Date, a special meeting of the stockholders shall also be called by the Secretary of the Corporation at the request of the holders of record of a majority of the outstanding shares of Common Stock. From and after the Trigger Date, a special meeting of the stockholders of the Corporation for any purpose or purposes may be called at any time only by or at the direction of the Board pursuant to a resolution of the Board adopted by a majority of the total number of authorized directors (whether or not there exists any vacancies in previously authorized directorships at the time such resolution is presented to the Board for adoption) and the stockholders of the Corporation shall not have the power to call a special meeting of the stockholders. Except as otherwise required by the DGCL, the business to come before, and be conducted at, a special meeting of stockholders of the Corporation shall be limited exclusively to the business set forth in the Corporation's notice of meeting (and any supplement thereof), and the individual or group calling such meeting shall have exclusive authority to determine the business included in such notice. Any special meeting of the stockholders shall be held at such place, if any, within or outside the State of Delaware, and on such date and at such time, as shall be specified in the notice of such special meeting.

7. Board Powers. All corporate powers and authority of the Corporation (except as at the time otherwise provided by law, by this Amended and Restated Certificate of Incorporation or by the Bylaws of the Corporation) shall be vested in and exercised by the Board.

EIGHTH: *Amendment of Bylaws*. In furtherance and not in limitation of the power conferred by the laws of the State of Delaware, the Board, acting by resolution adopted by a majority of the total number of authorized directors (whether or not there exists any vacancies in previously authorized directorships at the time such resolution is presented to the Board for adoption), is expressly authorized, without the consent or vote of the stockholders, to adopt, amend, alter or repeal the Bylaws of the Corporation subject to any limitations contained therein. In addition to any other vote otherwise required by law, and subject to any additional limitations as may be set forth in the Bylaws of the Corporation, the stockholders of the Corporation may amend, alter or repeal the Bylaws of the Corporation, provided that any such action will require (i) until the Trigger Date, the affirmative vote of the holders of a majority of the voting power of the outstanding shares of capital stock entitled to vote generally in the election of directors, voting together as a single class and (ii) from and after the Trigger Date, the affirmative vote of the holders of at least three quarters of the voting power of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class.

NINTH: *Liability*. No director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of his or her fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL as the same exists or may hereafter be amended. Any amendment, modification or repeal of the foregoing sentence shall not adversely affect any right or protection existing under this Amended and Restated Certificate of

Incorporation immediately prior to such amendment, modification or repeal, including any right or protection of a current or former director of the Corporation hereunder in respect of any act or omission occurring prior to the time of such amendment, modification or repeal. If the DGCL is amended after the Effective Time to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

TENTH: *Absence of Written Ballot*. Election of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

ELEVENTH: *Indemnification*. The Corporation shall, through its Bylaws or otherwise, indemnify and advance expenses to the fullest extent permitted under the DGCL, as it now exists or as hereafter amended from time to time, any person who is or was a director or officer of the Corporation or its subsidiaries, and such right to indemnification shall continue as to a person who has ceased to be a director or officer of the Corporation and shall inure to the benefit of his or her heirs, executors and personal and legal representatives. The Corporation may, by action of the Board, provide rights to indemnification and to advancement of expenses to such other employees or agents of the Corporation or its subsidiaries to such extent and to such effect as the Board shall determine to be appropriate and authorized by the DGCL. The rights to indemnification and to the advance of expenses conferred in this Article Eleventh shall not be exclusive of any other right which any person may have or hereafter acquire under this Amended and Restated Certificate of Incorporation, the Bylaws of the Corporation, any statute, agreement, vote of stockholders or disinterested directors or otherwise. Any amendment, repeal or modification of the foregoing provision of this Article Eleventh shall not adversely affect any right or protection of a director, officer, agent, or other person existing at the time of, or increase the liability of any director of this Corporation with respect to any acts or omissions of such director, officer or agent occurring prior to, such amendment, repeal or modification.

TWELFTH: *Business Opportunities*. To the fullest extent permitted by Section 122(17) of the DGCL (or any successor provision) and except as may be otherwise expressly agreed in writing by the Corporation and the Carlyle Stockholder (as defined below), the Corporation, on behalf of itself and its subsidiaries, renounces any interest or expectancy of the Corporation and its subsidiaries in, or in being offered an opportunity to participate in, business opportunities, that are from time to time presented to the Carlyle Stockholder or any of its officers, representatives, directors, agents, stockholders, members, partners, affiliates, subsidiaries (other than the Corporation and its subsidiaries), or any of their respective designees on the Corporation's Board of Directors and/or any of their respective representatives who, from time to time, may act as officers of the Corporation, even if the opportunity is one that the Corporation or its subsidiaries might reasonably be deemed to have pursued or had the ability or desire to pursue if granted the opportunity to do so, and no such person shall be liable to the Corporation or any of its subsidiaries for breach of any fiduciary or other duty, as a director or officer or otherwise, by reason of the fact that such person pursues or acquires such business opportunity, directs such business opportunity to another person or fails to present such business opportunity, or information regarding such business opportunity, to the Corporation or its subsidiaries unless, in the case of any such person who is a director or officer of the Corporation, such business opportunity is expressly offered to such director or officer in writing solely in his or her capacity as a director or officer of the Corporation. Any person purchasing or otherwise acquiring any interest in any shares of stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article Twelfth. Neither the alteration, amendment or repeal of this Article Twelfth, nor the adoption of any provision of this Amended and Restated Certificate of Incorporation inconsistent with this Article Twelfth, nor, to the fullest extent permitted by Delaware law, any modification of law, shall eliminate or reduce the effect of this Article Twelfth in respect of any business opportunity first identified or any other matter occurring, or any cause of action, suit or claim

that, but for this Article Twelfth, would accrue or arise, prior to such alteration, amendment, repeal, adoption or modification. If any provision or provisions of this Article Twelfth shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever: (a) the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Article Twelfth (including, without limitation, each portion of any paragraph of this Article Twelfth containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and (b) to the fullest extent possible, the provisions of this Article Twelfth (including, without limitation, each such portion of any paragraph of this Article Twelfth containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to permit the Corporation to protect its directors, officers, employees and agents from personal liability in respect of their good faith service to or for the benefit of the Corporation to the fullest extent permitted by law. This Article Twelfth shall not limit any protections or defenses available to, or indemnification or advancement rights of, any director, officer, employee or agent of the Corporation under this Amended and Restated Certificate of Incorporation, the Corporation's Bylaws, any other agreement between the Corporation and such director, officer, employee or agent or applicable law. For purposes of this Amended and Restated Certificate of Incorporation, the "Carlyle Stockholder" shall mean Carlyle-CommScope Holdings, L.P. and its affiliates and their respective affiliates, subsidiaries, members, partners, directors, officers and employees (in each case other than the Corporation and its subsidiaries).

THIRTEENTH: *Section 203 of the General Corporation Law.* The Corporation elects not to be governed by, and shall not be subject to the provisions of, Section 203 of the DGCL, "Business Combinations With Interested Stockholders," as permitted under and pursuant to subsection (b)(3) thereof.

FOURTEENTH: *Forum.* Unless the Corporation consents in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, employee or agent of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim against the Corporation arising pursuant to any provision of the DGCL, this Amended and Restated Certificate of Incorporation or the Corporation's Bylaws (as either may be amended from time to time), or (iv) any action asserting a claim against the Corporation or any director or officer or other employee of the Corporation governed by the internal affairs doctrine, shall be a state court located within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware). Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article Fourteenth.

FIFTEENTH: *Amendment.* The Corporation reserves the right to amend, alter, change or repeal any provisions contained in this Amended and Restated Certificate of Incorporation, in the manner now or hereafter prescribed by the DGCL. All rights conferred upon stockholders herein are granted subject to this reservation. Notwithstanding any other provision of this Amended and Restated Certificate of Incorporation or the Corporation's Bylaws, and notwithstanding the fact that a lesser percentage or separate class vote may be specified by law, this Amended and Restated Certificate of Incorporation, the Corporation's Bylaws or otherwise, but in addition to any affirmative vote of the holders of any particular class or series of the capital stock required by law, this Amended and Restated Certificate of Incorporation, the Corporation's Bylaws or otherwise, on or following the Trigger Date, the affirmative vote of the holders of at least three quarters of the voting power of all outstanding shares of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to adopt any provision inconsistent with, to amend or repeal any provision of, or to adopt a

bylaw inconsistent with, Articles Third, Seventh, Eighth, Ninth, Eleventh, Twelfth, Thirteenth, Fourteenth and Fifteenth of this Amended and Restated Certificate of Incorporation. For purposes of this Amended and Restated Certificate of Incorporation, the “Trigger Date” shall mean the first date on which the Carlyle Stockholder ceases to beneficially own (directly or indirectly) shares representing a majority of the then issued and outstanding shares of Common Stock.

[Signature Page Follows]

IN WITNESS WHEREOF, the Corporation has caused this Amended and Restated Certificate of Incorporation to be duly executed as of this 24th day of October, 2013.

COMMScope HOLDING COMPANY, INC.

By: /s/ Marvin S. Edwards Jr.

Name: Marvin S. Edwards Jr.

Title: President and Chief Executive Officer

COMMScope HOLDING COMPANY, INC.

SECOND AMENDED AND RESTATED BYLAWS

AS ADOPTED ON OCTOBER 24, 2013

TABLE OF CONTENTS

ARTICLE I	MEETINGS OF STOCKHOLDERS	1
Section 1.01	Annual Meetings	1
Section 1.02	Special Meetings	1
Section 1.03	Participation in Meetings by Remote Communication	1
Section 1.04	Notice of Meetings; Waiver of Notice	2
Section 1.05	Proxies	2
Section 1.06	Voting Lists	3
Section 1.07	Quorum	3
Section 1.08	Voting	3
Section 1.09	Adjournment	4
Section 1.10	Organization; Procedure; Inspection of Elections	4
Section 1.11	Stockholder Action by Written Consent	5
Section 1.12	Notice of Stockholder Proposals and Nominations	6
ARTICLE II	BOARD OF DIRECTORS	10
Section 2.01	General Powers	10
Section 2.02	Number and Term of Office	10
Section 2.03	Annual Meetings; Regular Meetings	11
Section 2.04	Special Meetings	11
Section 2.05	Notice of Meetings; Waiver of Notice	11
Section 2.06	Quorum; Voting	11
Section 2.07	Action by Telephonic Communications	11
Section 2.08	Adjournment	11
Section 2.09	Action Without a Meeting	12
Section 2.10	Regulations	12
Section 2.11	Resignations of Directors	12
Section 2.12	Removal of Directors	12
Section 2.13	Vacancies and Newly Created Directorships	13
Section 2.14	Director Fees and Expenses	13
Section 2.15	Reliance on Accounts and Reports, etc.	13
Section 2.16	Interested Directors	13
ARTICLE III	COMMITTEES	14
Section 3.01	Designation of Committees	14
Section 3.02	Members and Alternate Members	14
Section 3.03	Committee Procedures	14

Section 3.04	Meetings and Actions of Committees	14
Section 3.05	Resignations and Removals	15
ARTICLE IV	OFFICERS	15
Section 4.01	Officers	15
Section 4.02	Election	15
Section 4.03	Compensation	16
Section 4.04	Removal and Resignation; Vacancies	16
Section 4.05	Authority and Duties of Officers	16
Section 4.06	Chairman of the Board	16
Section 4.07	President	16
Section 4.08	Vice Presidents	17
Section 4.09	Secretary	17
Section 4.10	Treasurer	17
Section 4.11	Security	17
ARTICLE V	CAPITAL STOCK	17
Section 5.01	Certificates of Stock; Uncertificated Shares	17
Section 5.02	Facsimile Signatures	17
Section 5.03	Lost, Stolen or Destroyed Certificates	18
Section 5.04	Transfer of Stock	18
Section 5.05	Registered Stockholders	18
Section 5.06	Transfer Agent and Registrar	18
ARTICLE VI	INDEMNIFICATION	18
Section 6.01	Indemnification	18
Section 6.02	Advancement of Expenses	20
Section 6.03	Procedure for Indemnification	20
Section 6.04	Burden of Proof	20
Section 6.05	Contract Right; Non-Exclusivity; Survival	21
Section 6.06	Insurance	21
Section 6.07	Employees and Agents	22
Section 6.08	Interpretation; Severability	22
Section 6.09	Subrogation	22
ARTICLE VII	OFFICES	23
Section 7.01	Registered Office	23
Section 7.02	Other Offices	23
ARTICLE VIII	GENERAL PROVISIONS	23
Section 8.01	Dividends	23

Section 8.02	Reserves	23
Section 8.03	Execution of Instruments	23
Section 8.04	Voting as Stockholder	23
Section 8.05	Fiscal Year	24
Section 8.06	Seal	24
Section 8.07	Books and Records; Inspection	24
Section 8.08	Electronic Transmission	24
ARTICLE IX	AMENDMENT OF BYLAWS	24
ARTICLE X	CONSTRUCTION	25

**COMMSCOPE HOLDING COMPANY, INC.
SECOND AMENDED AND RESTATED BYLAWS**

As Adopted on October 24, 2013

ARTICLE I

MEETINGS OF STOCKHOLDERS

Section 1.01 Annual Meetings. The annual meeting of the stockholders of CommScope Holding Company, Inc. (the "Corporation") for the election of directors (each, a "Director") and for the transaction of such other business as properly may come before such meeting shall be held each year either within or outside the State of Delaware at such place, if any, and on such date and at such time, as may be fixed from time to time by resolution of the Corporation's Board of Directors (the "Board") adopted by a majority of the total number of authorized Directors (whether or not there exists any vacancies in previously authorized directorships at the time such resolution is presented to the Board for adoption) and set forth in the notice or waiver of notice of the meeting, unless, subject to the certificate of incorporation of the Corporation (the "Certificate of Incorporation") and Section 1.11 of these bylaws, the stockholders have acted by written consent to elect Directors as permitted by the General Corporation Law of the State of Delaware, as amended from time to time (the "DGCL"). The Board may postpone, reschedule or cancel any annual meeting of stockholders previously scheduled by the Board.

Section 1.02 Special Meetings. A special meeting of the stockholders of the Corporation for any purpose or purposes may be called at any time only by or at the direction of the Board pursuant to a resolution of the Board adopted by a majority of the total number of authorized Directors (whether or not there exists any vacancies in previously authorized directorships at the time such resolution is presented to the Board for adoption); provided, that, until the Trigger Date (as such term is defined in the Certificate of Incorporation), a special meeting of the stockholders shall also be called by the Secretary at the request of the holders of record of a majority of the outstanding shares of common stock. From and after the Trigger Date, a special meeting of the stockholders of the Corporation for any purpose or purposes may be called at any time only by or at the direction of the Board pursuant to a resolution of the Board adopted by a majority of the total number of authorized Directors (whether or not there exists any vacancies in previously authorized directorships at the time such resolution is presented to the Board for adoption) and the stockholders of the Corporation shall not have the power to call a special meeting of the stockholders. Except as otherwise required by law, the business to come before, and be conducted at, a special meeting of stockholders shall be limited exclusively to the business set forth in the notice (and any supplement thereof) and the individual or group calling such meeting shall have exclusive authority to determine the business included in such notice. The Board may postpone, reschedule or cancel any special meeting of the stockholders previously scheduled by the Board. Any special meeting of the stockholders shall be held at such place, if any, within or outside the State of Delaware, and on such date and at such time, as shall be specified in the notice of such special meeting.

Section 1.03 Participation in Meetings by Remote Communication. The Board, acting in its sole discretion, may establish guidelines and procedures in accordance with applicable provisions of the DGCL and any other applicable law for the participation by stockholders and proxyholders in a meeting of stockholders by means of remote communications, and may determine that any meeting of stockholders will not be held at any place but will be held solely by means of remote communication. Stockholders and proxyholders complying with such procedures and guidelines and otherwise entitled to vote at a meeting of stockholders shall be deemed present in person and entitled to vote at a meeting of stockholders, whether such meeting is to be held at a designated place or solely by means of remote communication.

Section 1.04 Notice of Meetings; Waiver of Notice.

(a) In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If the Board so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. The Secretary or any Assistant Secretary shall cause notice of each meeting of stockholders to be given in a manner permitted by the DGCL not less than ten (10) days nor more than sixty (60) days prior to the meeting to each stockholder of record entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting, subject to such exclusions as are then permitted by the DGCL. The notice shall specify (i) the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for stockholders entitled to notice of the meeting), (ii) the place, if any, date and time of such meeting, (iii) the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, (iv) in the case of a special meeting, the purpose or purposes for which such meeting is called and (v) such other information as may be required by law or as may be deemed appropriate by the Board, the Chairman of the Board, the President or the Secretary. If the stockholder list referred to in Section 1.06 of these bylaws is made accessible on an electronic network, the notice of meeting must indicate how the stockholder list can be accessed. If the meeting of stockholders is to be held solely by means of electronic communications, the notice of meeting must provide the information required to access such stockholder list during the meeting.

(b) A written waiver of notice of meeting signed by a stockholder or a waiver by electronic transmission by a stockholder, whether given before or after the meeting time stated in such notice, is deemed equivalent to notice. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders need be specified in a waiver of notice. Attendance of a stockholder at a meeting, whether in person or by proxy, is a waiver of notice of such meeting, except when the stockholder attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business at the meeting on the ground that the meeting is not lawfully called or convened.

Section 1.05 Proxies.

(a) Each stockholder entitled to vote at a meeting of stockholders or to express consent to or dissent from corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy.

(b) A stockholder may authorize a valid proxy by executing a written instrument signed by such stockholder, or by causing his or her signature to be affixed to such writing by any reasonable means, including but not limited to by facsimile signature, or by transmitting or authorizing an electronic transmission (as defined in Section 8.08 of these bylaws) setting forth an authorization to act as proxy to the person designated as the holder of the proxy, a proxy solicitation firm or a like authorized agent. Proxies by electronic transmission must either set forth, or be submitted with, information from which it can be determined that the electronic transmission was authorized by the stockholder. Any copy, facsimile telecommunication or other reliable reproduction of a writing or transmission created pursuant

to this section may be substituted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used if such copy, facsimile telecommunication or other reproduction is a complete reproduction of the entire original writing or transmission.

(c) No proxy may be voted or acted upon after the expiration of three years from the date of such proxy, unless such proxy provides for a longer period. Every proxy is revocable at the pleasure of the stockholder executing it unless the proxy states that it is irrevocable and applicable law makes it irrevocable. A stockholder may revoke any proxy that is not irrevocable by attending the meeting and voting in person or by filing an instrument in writing revoking the proxy or by filing another duly executed proxy bearing a later date with the Secretary.

Section 1.06 Voting Lists. The officer of the Corporation who has charge of the stock ledger of the Corporation shall prepare, at least ten (10) days before every meeting of the stockholders (and before any adjournment thereof for which a new record date has been set), a complete list of the stockholders of record entitled to vote at the meeting (provided, however, if the record date for determining the stockholders entitled to vote is less than ten (10) days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth (10th) day before the meeting date), arranged in alphabetical order and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Nothing contained in this Section 1.06 shall require the Corporation to include electronic mail addresses or other electronic contact information on such list. This list, which may be in any format including electronic format, shall be open to the examination of any stockholder prior to and during the meeting for any purpose germane to the meeting in the manner required by the DGCL and other applicable law. The stock ledger shall be the only evidence as to who are the stockholders entitled by this section to examine the list required by this section or to vote in person or by proxy at any meeting of stockholders.

Section 1.07 Quorum. Except as otherwise provided in the Certificate of Incorporation or by law, the presence in person or by proxy of the holders of record of a majority in voting power of the shares entitled to vote at a meeting of stockholders shall constitute a quorum for the transaction of business at such meeting, provided, however, that where a separate vote by a class or series is required, the holders of a majority in voting power of all issued and outstanding stock of such class or series entitled to vote on such matter, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to such matter. When a quorum is once present it is not broken by the subsequent withdrawal of any stockholder. The stockholders present at a duly called or convened meeting, at which a quorum is present, may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum. In the absence of a quorum, the stockholders so present may, by a majority in voting power thereof, adjourn the meeting from time to time in the manner provided in Section 1.09 of these bylaws until a quorum shall attend.

Section 1.08 Voting. Except as otherwise provided in the Certificate of Incorporation or by law, every holder of record of shares entitled to vote at a meeting of stockholders is entitled to one vote for each share outstanding in his or her name on the books of the Corporation (x) at the close of business on the record date for such vote or (y) if no record date has been fixed, at the close of business on the day next preceding the day on which notice of the meeting is given, or if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. Except as otherwise required by law, the Certificate of Incorporation, these bylaws, the rules and regulations of any stock exchange applicable to the Corporation or pursuant to any other rule or regulation applicable to the Corporation, its securities or its stockholders, the vote of a majority of the voting power of the shares entitled to vote at a meeting of stockholders on the subject matter in question represented in person or by proxy at any meeting at which a quorum is present shall be sufficient for the transaction of any business at such meeting. The stockholders do not have the right to cumulate their votes for the election of Directors.

Section 1.09 Adjournment. Any meeting of stockholders may be adjourned from time to time, whether or not a quorum is present, by the chairperson of the meeting or by the vote of a majority in voting power of the shares of stock present in person or represented by proxy at the meeting, to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the place, if any, and date and time thereof (and the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting) are announced at the meeting at which the adjournment is taken unless the adjournment is for more than thirty (30) days or a new record date is fixed for the adjourned meeting after the adjournment, in which case notice of the adjourned meeting in accordance with Section 1.04 of these bylaws shall be given to each stockholder of record entitled to vote at the meeting. At the adjourned meeting, the Corporation may transact any business that might have been transacted at the original meeting. If after the adjournment a new record date for determination of stockholders entitled to vote is fixed for the adjourned meeting, the Board shall fix as the record date for determining stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote at the adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record as of the record date so fixed for notice of such adjourned meeting.

Section 1.10 Organization; Procedure; Inspection of Elections.

(a) At every meeting of stockholders the presiding officer shall be the Chairman of the Board, or in the event of his or her absence or disability, the President, or in the event of both the Chairman's and the President's absence or disability, a presiding officer chosen by resolution of the Board. The Secretary, or in the event of his or her absence or disability, the Assistant Secretary, if any, or if there be no Assistant Secretary, in the absence of the Secretary, an appointee of the presiding officer, shall act as secretary of the meeting.

(b) To the maximum extent permitted by applicable law, the Board shall be entitled to make such rules or regulations for the conduct of meetings of stockholders as it shall deem necessary, appropriate or convenient. Subject to any such rules and regulations, the presiding officer of any meeting shall have the right and authority to convene and (for any or no reason) to recess and/or adjourn the meeting and to prescribe rules, regulations and procedures for such meeting and to take all such actions as in the judgment of the presiding officer are necessary, appropriate or convenient for the proper conduct of such meetings. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the presiding officer of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order, decorum, safety and security at the meeting; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the presiding person of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; (v) limitations on the time allotted to questions or comments by participants; (vi) determining when the polls should be opened and closed for voting; (vii) removing any stockholder who refuses to comply with meeting procedures, rules or guidelines as established by the chairman of the meeting; and (viii) complying with any state and local laws and regulations concerning safety and security. The presiding officer at any meeting of stockholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall, if the facts warrant, determine and declare to the meeting that a matter or business was not properly brought before the meeting and if such presiding person should so determine, such presiding person shall so declare to the meeting and any such matter of business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board or the person presiding over the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

(c) Preceding any meeting of the stockholders, the Board may, and when required by law shall, appoint one or more persons to act as inspectors of elections who may be employees of the Corporation, and may designate one or more alternate inspectors. If no inspector or alternate so appointed by the Board is able to act, or if no inspector or alternate has been appointed and the appointment of an inspector is required by law, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. No Director or nominee for the office of Director shall be appointed as an inspector of elections. Each inspector, before entering upon the discharge of the duties of an inspector, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall discharge their duties in accordance with the requirements of applicable law.

Section 1.11 Stockholder Action by Written Consent.

(a) Until the Trigger Date and except as otherwise provided in the Certificate of Incorporation, any action required or permitted to be taken at an annual or special meeting of stockholders of the Corporation may be taken without a meeting, without prior notice and without a vote of stockholders, if a consent or consents in writing, setting forth the action so taken, are: (i) signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted (but not less than the minimum number of votes otherwise prescribed by law) and (ii) delivered to the Corporation by hand or by certified or registered mail, return receipt requested, to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the books in which proceedings of meetings of stockholders are recorded within sixty (60) days of the earliest dated valid consent so delivered to the Corporation.

(b) From and after the Trigger Date and except as otherwise provided in the Certificate of Incorporation, any action required or permitted to be taken at any annual or special meeting of stockholders of the Corporation may be taken only upon the vote of the stockholders at an annual or special meeting duly called and may not be taken by written consent of the stockholders.

(c) If a stockholder action by written consent is permitted under these bylaws and not restricted by the Certificate of Incorporation, and the Board has not fixed a record date for the purpose of determining the stockholders entitled to participate in such consent to be given, then: (i) if the DGCL does not require action by the Board prior to the proposed stockholder action, the record date shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation at any of the locations referred to in Section 1.11(a)(ii) of these bylaws; and (ii) if the DGCL requires action by the Board prior to the proposed stockholder action, the record date shall be at the close of business on the day on which the Board adopts the resolution taking such prior action. Every written consent to action without a meeting shall bear the date of signature of each stockholder who signs the consent, and shall be valid if timely delivered to the Corporation at any of the locations referred to in Section 1.11(a)(ii) of these bylaws.

(d) The Secretary shall give prompt notice of the taking of an action without a meeting by less than unanimous written consent to those stockholders who have not consented in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of stockholders to take the action were delivered to the Corporation in accordance with the DGCL.

Section 1.12 Notice of Stockholder Proposals and Nominations.

(a) *Annual Meetings.*

(i) Nominations of persons for election to the Board and proposals of business to be considered by the stockholders at an annual meeting of stockholders may be made only (x) as specified in the Corporation's notice of meeting (or any supplement thereto), (y) by or at the direction of the Board, or a committee appointed by the Board for such purpose, or (z) subject to the then-applicable provisions of the Amended and Restated Stockholders Agreement among the Corporation and certain of its stockholders, dated as of October 24, 2013 (as amended from time to time, the "Stockholders Agreement"), by any stockholder of the Corporation who or which (1) is entitled to vote at the meeting, (2) complies in a timely manner with all notice procedures and other requirements set forth in this Section 1.12, and (3) is a stockholder of record when the required notice is delivered and at the date of the meeting. The immediately preceding sentence shall be the exclusive means for a stockholder to make nominations at, or bring business (other than matters properly brought under Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and included in the Corporation's notice of meeting) before, an annual meeting of stockholders.

(ii) Notice in writing of a stockholder nomination or stockholder proposal must be delivered to the attention of the Secretary at the principal place of business of the Corporation by the close of business not fewer than 90 days nor more than 120 days prior to the first anniversary of the preceding year's annual meeting (which anniversary date, in the case of the first annual meeting of stockholders following the closing of the Corporation's initial underwritten public offering of common stock, shall be deemed to be May 2, 2014); provided that if the date of the annual meeting is advanced by more than 30 days or delayed by more than 70 days from such anniversary date of the preceding year's annual meeting, notice by the stockholder to be timely must be so delivered not earlier than 120 days prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. If the number of Directors to be elected to the Board at an annual meeting is increased, and if the Corporation does not make a public announcement naming all of the nominees for Director or specifying the size of the increased Board at least 100 days prior to the first anniversary of the preceding year's annual meeting, then any stockholder nomination in respect of the new position(s) created by such increase in the number of positions shall be considered timely if delivered not later than the close of business on the 10th day following the day on which a public announcement naming all nominees or specifying the size of the increased Board is first made by the Corporation.

(iii) Notice of a stockholder nomination or proposal shall include (A) as to each person whom the stockholder proposes to nominate for election or reelection as a Director: (1) a description of all direct and indirect compensation or other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among each such person and his or her respective affiliates and associates, on the one hand, and the stockholder of record and beneficial owner or owners, if any, or other person on whose behalf the nomination is made and their respective affiliates and associates, on the other hand, including without limitation all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the stockholder of record making the nomination and any beneficial owner or owners, if any, or other person on whose behalf the nomination is made, or any affiliate or associate thereof, were the "registrant" for purposes of such rule and the nominee were a director or executive officer of such registrant and (2) all other

information relating to such person required to be disclosed in a proxy statement or other filings required to be made with the Securities and Exchange Commission in connection with the solicitations of proxies for the election of Directors in a contested election pursuant to and in accordance with Section 14(a) of the Exchange Act, and the rules and regulations promulgated thereunder (whether or not the proponent or such person intends to or does deliver a proxy statement or conduct its own proxy solicitation), including such person's written consent to being named in the proxy statement as a nominee and to serving as a Director if elected, and (B) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the text of the proposal (including the text of any resolutions proposed for consideration and if such business includes proposed amendments to the Certificate of Incorporation and/or bylaws of the Corporation, the text of the proposed amendments), the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made.

(iv) Notice of a stockholder nomination or proposal shall also set forth, as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made:

(1) the name and address of such stockholder, as they appear on the Corporation's books and records, and of any such beneficial owner;

(2) the class or series and number of shares of capital stock of the Corporation which are owned beneficially (within the meaning of Rule 13d-3 under the Exchange Act) and of record by such stockholder and any such beneficial owner, provided that such stockholder shall be deemed to beneficially own any shares of any class or series of the Corporation as to which such stockholder has a right to acquire beneficial ownership at any time in the future;

(3) a description of any agreement, arrangement or understanding between or among such stockholder and any such beneficial owner, any of their respective affiliates or associates, and any other person or persons (including their names) in connection with the proposal of such nomination or other business;

(4) a description of any agreement, arrangement or understanding (including, regardless of the form of settlement, any derivative, long or short positions, profit interests, forwards, futures, swaps, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions and borrowed or loaned shares) that has been entered into by or on behalf of, or any other agreement, arrangement or understanding that has been made, the effect or intent of which is to create or mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such stockholder or any such beneficial owner or any such nominee with respect to the Corporation's securities (a "Derivative Instrument");

(5) to the extent not disclosed pursuant to clause (4) above, the principal amount of any indebtedness of the Corporation or any of its subsidiaries beneficially owned by such stockholder or by any such beneficial owner, together with the title of the instrument under which such indebtedness was issued and a description of any Derivative Instrument entered into by or on behalf of such stockholder or such beneficial owner relating to the value or payment of any indebtedness of the Corporation or any such subsidiary;

(6) a representation that such stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business or nomination;

(7) any other information relating to such stockholder and any such beneficial owner required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in an election contest pursuant to and in accordance with Section 14(a) of the Exchange Act and the rules and regulations promulgated thereunder (whether or not such stockholder intends to or does deliver a proxy statement or conduct its own proxy solicitation); and

(8) a representation as to whether such stockholder or any such beneficial owner intends or is part of a group which intends (x) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to elect the nominee or to approve or adopt the proposal or and/or (y) otherwise to solicit proxies from stockholders in support of such nomination or proposal.

If requested by the Corporation, the information required under clauses (iv)(2), (3), (4) and (5) of the preceding sentence of this Section 1.12(a) shall be supplemented and updated by such stockholder and any such beneficial owner, if necessary, so that the information provided or required to be provided in such notice by these Bylaws shall be true and correct as of the record date for the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the Secretary at the principal executive offices of the corporation not later than five (5) business days after the record date for the meeting (in the case of the update and supplement required to be made as of the record date), and not later than five (5) business days prior to the date for the meeting, if practicable (or, if not practicable, on the first practicable date prior to) or any adjournment or postponement thereof (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof). The foregoing notice requirements of this Section 1.12(a) shall be deemed satisfied by a stockholder with respect to business or a nomination if such stockholder has notified the Corporation of his or her intention to present a proposal or make a nomination at an annual meeting in compliance with the applicable rules and regulations promulgated under the Exchange Act and such stockholder's proposal or nomination has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for such annual meeting.

(b) *Special Meetings.*

(i) Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting pursuant to Section 1.04 of these bylaws. Nominations of persons for election to the Board at a special meeting of stockholders at which Directors are to be elected pursuant to the Corporation's notice of meeting may be made only (x) by or at the direction of the Board, or a committee appointed by the Board for such purpose or (y) provided that the Board (or stockholders, to the extent in accordance with Section 1.02 hereof) has determined that Directors shall be elected at such meeting, by any stockholder of the Corporation. Subject to the foregoing and the then-applicable provisions of the Stockholders Agreement, a stockholder may nominate persons for

election to the Board (a “stockholder nomination”) at a special meeting only if the stockholder (1) is entitled to vote at the meeting, (2) complies in a timely manner with the notice procedures and other requirements set forth in paragraph (ii) of this Section 1.12(b), and (3) is a stockholder of record when the required notice is delivered and at the date of the meeting.

(ii) Notice in writing of a stockholder nomination must be delivered to the attention of the Secretary at the principal place of business of the Corporation not more than 120 days prior to the date of the meeting and not later than the close of business on the later of the 90th day prior to the meeting or the 10th day following the last to occur of (a) the public announcement by the Corporation of the date of such meeting and (b) the public announcement by the Corporation of the nominees proposed by the Board to be elected at such meeting, and must comply with the provisions of Sections 1.12(a)(iii) and (iv) of these bylaws. The foregoing notice requirements of this Section 1.12(b) shall be deemed satisfied by a stockholder with respect to a nomination if the stockholder has notified the Corporation of his or her intention to present a nomination at such special meeting in compliance with the applicable rules and regulations promulgated under the Exchange Act and such stockholder’s nomination has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for such special meeting.

(c) *General.*

(i) Except as otherwise expressly provided in any applicable rule or regulation promulgated under the Exchange Act, only such persons who are nominated in accordance with the procedures set forth in this Section 1.12 shall be eligible to be elected at an annual or special meeting of stockholders of the Corporation to serve as Directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 1.12. Except as otherwise provided by law, the Certificate of Incorporation or these bylaws, the presiding officer of a meeting of stockholders shall have the power and duty (x) to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the procedures set forth in this Section 1.12 and (y) if any proposed nomination or business is not in compliance with this Section 1.12, to declare that such defective nomination shall be disregarded or that such proposed business shall not be transacted.

(ii) The Corporation may require any proposed stockholder nominee for Director to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as a Director. Unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) making a nomination or proposal under this Section 1.12 does not appear at a meeting of stockholders to present such nomination or proposal, the nomination shall be disregarded and/or the proposed business shall not be transacted, as the case may be, notwithstanding that proxies in favor thereof may have been received by the Corporation. For purposes of this Section 1.12, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.

(iii) For purposes of this Section 1.12, “public announcement” shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(iv) Notwithstanding the foregoing provisions of this Section 1.12, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 1.12; provided, however, that any references in these bylaws to the Exchange Act or the rules and regulations promulgated thereunder are not intended to and shall not limit any requirements applicable to nominations or proposals as to any other business to be considered pursuant to this Section 1.12. Nothing in this Section 1.12 shall be deemed to affect any rights of (x) stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or (y) the holders of any series of preferred stock to elect Directors pursuant to any applicable provisions of the Certificate of Incorporation or of the relevant preferred stock certificate of designation.

(v) The announcement of an adjournment or postponement of an annual or special meeting does not commence a new time period (and does not extend any time period) for the giving of notice of a stockholder nomination or a stockholder proposal.

ARTICLE II

BOARD OF DIRECTORS

Section 2.01 General Powers. Except as may otherwise be provided by law or by the Certificate of Incorporation, the affairs and business of the Corporation shall be managed by or under the direction of the Board and the Board may exercise all the powers and authority of the Corporation. The Directors shall act only as a Board, and the individual Directors shall have no power as such.

Section 2.02 Number and Term of Office. The number of Directors, other than any Directors elected by the holders of shares of any class or series of preferred stock provided for or fixed pursuant to the provisions of Article Sixth of the Certificate of Incorporation (the "Preferred Stock Directors"), shall initially be eleven (11), classified (including Directors in office as of the date hereof) with respect to the time for which they severally hold office into three classes, as nearly equal in number as possible, designated as Class I, Class II and Class III, which number may be modified (but not reduced to less than seven (7)) from time to time exclusively by a Board resolution adopted by the affirmative vote of a majority of the total number of Directors then in office, subject to the rights of the holders of shares of any class or series of preferred stock, if any, and the then-applicable terms of the Stockholders Agreement. The initial Class I Directors shall serve for a term expiring at the first annual meeting of the stockholders following the date hereof, the initial Class II Directors shall serve for a term expiring at the second annual meeting of the stockholders following the date hereof and the initial Class III Directors shall serve for a term expiring at the third annual meeting of stockholders following the date hereof, with Directors of each class to hold office until their successors are duly elected and qualified, provided that the term of each Director shall continue until the election and qualification of a successor and be subject to such Director's earlier death, resignation or removal. At each annual meeting of stockholders of the Corporation beginning with the first annual meeting of stockholders following the date hereof, subject to any rights of the holders of shares of any class or series of preferred stock, the successors of the class of Directors whose term expires at that meeting shall be elected to hold office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election, provided that the term of each Director shall continue until the election and qualification of a successor and be subject to such Director's earlier death, resignation or removal. In the case of any increase or decrease, from time to time, in the authorized number of Directors (other than Preferred Stock Directors), the number of Directors in each class shall be apportioned as nearly equal as possible. No decrease in the number of Directors shall shorten the term of any incumbent Director. At each meeting of the stockholders for the

election of Directors, provided a quorum is present, the Directors standing for election shall be elected by a plurality of the votes validly cast in such election; provided that for so long as the Stockholders Agreement is in effect, the election of any Director shall also be subject to the then-applicable terms, if any, of the Stockholders Agreement. The Board is authorized to assign members of the Board already in office to Class I, Class II and Class III.

Section 2.03 Annual Meetings; Regular Meetings. The annual meeting of the Board may be held at such time or place (within or outside the State of Delaware) as shall be specified in a notice thereof given as hereinafter provided. Regular meetings of the Board shall be held on such dates, and at such times and places (within or outside the State of Delaware) as are determined from time to time by resolution of the Board.

Section 2.04 Special Meetings. Special meetings of the Board shall be held whenever called by the President or the Chairman of the Board or in the event of his or her absence or disability, by any Vice President, or by a majority of the Directors then in office, at such place (within or outside the State of Delaware), date and time as may be specified in the respective notices or waivers of notice of such meetings. Any business may be conducted at a special meeting of the Board.

Section 2.05 Notice of Meetings; Waiver of Notice.

(a) Notices of special meetings shall be given to each Director, and notice of each resolution or other action affecting the date, time or place of one or more regular meetings shall be given to each Director not present at the meeting adopting such resolution or other action, subject to Section 2.08 of these bylaws. Notices shall be given personally, or by telephone confirmed by facsimile or email dispatched promptly thereafter, or by facsimile or email confirmed by a writing delivered by a recognized overnight courier service, directed to each Director at the address from time to time designated by such Director to the Secretary. Each such notice and confirmation must be given (received in the case of personal service or delivery of written confirmation) at least 24 hours prior to the time of a meeting.

(b) A written waiver of notice of meeting signed by a Director or a waiver by electronic transmission by a Director, whether given before or after the meeting time stated in such notice, is deemed equivalent to notice. Attendance of a Director at a meeting is a waiver of notice of such meeting, except when the Director attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business at the meeting on the ground that the meeting is not lawfully called or convened.

Section 2.06 Quorum; Voting. At all meetings of the Board, the presence of a majority of the total authorized number of Directors shall constitute a quorum for the transaction of business. Except as otherwise required by law, the Certificate of Incorporation or these bylaws, the vote of a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board.

Section 2.07 Action by Telephonic Communications. Members of the Board may participate in a meeting of the Board by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

Section 2.08 Adjournment. A majority of the Directors present may adjourn any meeting of the Board to another date, time or place, whether or not a quorum is present. No notice need be given of any adjourned meeting unless (a) the date, time and place of the adjourned meeting are not announced at the time of adjournment, in which case notice conforming to the requirements of Section 2.05 of these bylaws shall be given to each Director, or (b) the meeting is adjourned for more than 24 hours, in which case the notice referred to in clause (a) shall be given to those Directors not present at the announcement of the date, time and place of the adjourned meeting.

Section 2.09 Action Without a Meeting. Unless otherwise restricted in the Certificate of Incorporation, any action required or permitted to be taken at any meeting of the Board may be taken without a meeting if all members of the Board consent thereto in writing or by electronic transmission, and such writing or writings or electronic transmissions are filed with the minutes of proceedings of the Board. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 2.10 Regulations. To the extent consistent with applicable law, the Certificate of Incorporation and these bylaws, the Board may adopt such rules and regulations for the conduct of meetings of the Board and for the management of the affairs and business of the Corporation as the Board may deem appropriate. The Board may elect from among its members a chairperson and one or more vice-chairpersons to preside over meetings and to perform such other duties as may be designated by the Board.

Section 2.11 Resignations of Directors. Any Director may resign at any time by submitting an electronic transmission or by delivering a written notice of resignation, signed by such Director, to the Chairman of the Board, the President or the Secretary. Such resignation shall take effect upon delivery unless the resignation specifies a later effective date or an effective date determined upon the happening of a specified event.

Section 2.12 Removal of Directors.

(a) Until the Trigger Date and subject to the rights of the holders of shares of any class or series of preferred stock, if any, to elect Directors pursuant to the Certificate of Incorporation (including any certificate of designation thereunder) and the then-applicable terms of the Stockholders Agreement, any Director may be removed at any time, either for or without cause, upon the affirmative vote of the holders of a majority of the outstanding shares of stock of the Corporation entitled to vote generally for the election of Directors, voting together as a single class at any annual or special meeting of the stockholders called for that purpose or by written consent in accordance with the DGCL, the Certificate of Incorporation and these bylaws.

(b) From and after the Trigger Date and subject to the rights of the holders of shares of any class or series of preferred stock, if any, to elect Directors pursuant to the Certificate of Incorporation (including any certificate of designation thereunder) and the then-applicable terms of the Stockholders Agreement, any Director may be removed only for cause, upon the affirmative vote of the holders of at least three-quarters of the outstanding shares of stock of the Corporation entitled to vote generally for the election of Directors, voting together as a single class at any annual or special meeting of the stockholders called for that purpose in accordance with the DGCL, the Certificate of Incorporation and these bylaws. For purposes of these Bylaws, "cause" shall mean (i) a final conviction (without any further right of appeal) of a felony involving moral turpitude, or (ii) willful misconduct that is materially and demonstrably injurious economically to the Corporation. For purposes of this definition of "cause," no act, or failure to act, by a Director shall be considered "willful" unless committed in bad faith and without a reasonable belief that the act or failure to act was in the best interest of the Corporation or any affiliate of the Corporation. "Cause" shall not exist unless and until the Corporation has delivered to the Director a written notice of the Director's failure to act that constitutes "cause" and, if cure is possible, such Director shall not have cured such act or omission within ninety (90) days after the delivery of such notice.

Section 2.13 Vacancies and Newly Created Directorships. Subject to the rights of the holders of shares of any class or series of preferred stock, if any, to elect Directors pursuant to the Certificate of Incorporation (including any certificate of designation thereunder) and the then-applicable terms of the Stockholders Agreement, any newly-created directorship on the Board that results from an increase in the number of Directors, or any vacancy in the Board that results from the death, disability, resignation, disqualification or removal of any Director or from any other cause shall be filled solely by the affirmative vote of a majority of the total number of Directors then in office, even if less than a quorum, or by a sole remaining Director. Any Director filling a vacancy shall be of the same class as that of the Director whose death, resignation, disqualification, removal or other event caused the vacancy, and any Director filling a newly created directorship shall be of the class specified by the Board at the time the newly created directorship was created. A Director elected to fill a vacancy or newly created Directorship shall hold office until his or her successor has been elected and qualified or until his or her earlier death, resignation or removal.

Section 2.14 Director Fees and Expenses. The amount, if any, which each Director shall be entitled to receive as compensation for his or her services shall be fixed from time to time by the Board and, if any Director shall serve as a member of any committee of the Board or perform special services at the request of the Board, such Director may be paid such additional compensation as the Board may from time to time determine. The Corporation will cause each non-employee Director serving on the Board to be reimbursed for all reasonable out-of-pocket costs and expenses incurred by him or her in connection with such service. Such compensation and reimbursement shall be payable even though there be an adjournment because of the absence of a quorum. No such payment shall preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 2.15 Reliance on Accounts and Reports, etc. A Director, as such or as a member of any committee designated by the Board, shall in the performance of his or her duties be fully protected in relying in good faith upon the records of the Corporation and upon information, opinions, reports or statements presented to the Corporation by any of the Corporation's officers or employees, or committees designated by the Board, or by any other person as to the matters the member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

Section 2.16 Interested Directors. No contract or transaction between the Corporation and one or more of its Directors or officers, or between the Corporation and any other corporation, partnership, association, or other organization in which one or more of its Directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the Director or officer is present at or participates in the meeting of the Board or committee thereof which authorizes the contract or transaction, or solely because such person's or persons' votes are counted for such purposes if (a) the material facts as to such person's or persons' relationship or interest and as to the contract or transaction are disclosed or are known to the Directors or committee who then in good faith authorizes the contract or transaction by the affirmative vote of a majority of the disinterested Directors, even though the disinterested Directors be less than a quorum, (b) the material facts as to such person's or persons' relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders or (c) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified, by the Board, a committee thereof or the stockholders. Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board or of a committee which authorizes the contract or transaction.

ARTICLE III

COMMITTEES

Section 3.01 Designation of Committees. The Board shall designate such committees as may be required by applicable laws, regulations or stock exchange rules and the then-applicable terms of the Stockholders Agreement and may designate such additional committees as it deems necessary or appropriate. Each committee shall consist of such number of Directors, and with such qualifications, as may be required by applicable laws, regulations or stock exchange rules or as from time to time may be fixed by the Board and shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation to the extent delegated to such committee by resolution of the Board (and, in the exercise of any such authority, may authorize the seal of the corporation to be affixed to all papers which may require it), which delegation shall include all such powers and authority as may be required by applicable laws, regulations or stock exchange rules. No committee shall have any power or authority as to (a) approving or adopting, or recommending to the stockholders, any action or matter (other than the election or removal of Directors) expressly required by the DGCL to be submitted to stockholders for approval, (b) adopting, amending or repealing any of these bylaws or (c) as may otherwise be excluded by law or by the Certificate of Incorporation.

Section 3.02 Members and Alternate Members. The members of each committee and any alternate members shall be selected by the Board and the Board may provide that the members and alternate members serve at the pleasure of the Board; provided that for so long as the Stockholders Agreement is in effect, the composition of each Committee shall also be subject to the then-applicable terms, if any, of the Stockholders Agreement. Any Committee may be abolished or re-designated from time to time by the Board. An alternate member may replace any absent or disqualified member at any meeting of the committee. An alternate member shall be given all notices of committee meetings, may attend any meeting of the committee, but may count towards a quorum and vote only if a member for whom such person is an alternate is absent or disqualified. Each member (and each alternate member) of any committee shall hold office only until the time he or she shall cease for any reason to be a Director, until his or her successor shall have been designated and qualified or until his or her earlier death, resignation or removal.

Section 3.03 Committee Procedures. A quorum for each committee shall be a majority of its members, unless the committee has only one or two members, in which case a quorum shall be one member, or unless a greater quorum is established by the Board. The vote of a majority of the committee members present at a meeting at which a quorum is present shall be the act of the committee. Each committee shall keep regular minutes of its meetings and report to the Board when required. The Board shall adopt a charter for each committee for which a charter is required by applicable laws, regulations or stock exchange rules, may adopt a charter for any other committee, and may adopt other rules and regulations for the government of any committee not inconsistent with the provisions of these bylaws or any such charter, and each committee may adopt its own rules and regulations of government, to the extent not inconsistent with these bylaws or any charter or other rules and regulations adopted by the Board.

Section 3.04 Meetings and Actions of Committees. Except to the extent that the same may be inconsistent with the terms of any committee charter or applicable laws, regulations or stock exchange rules, meetings and actions of each committee shall be governed by, and held and taken in accordance with, the provisions of the following sections of these bylaws, with such bylaws being deemed to refer to the committee and its members in lieu of the Board and its members:

(a) Section 2.03 (to the extent relating to place and time of regular meetings);

- (b) Section 2.04 (relating to special meetings);
- (c) Section 2.05 (relating to notice and waiver of notice);
- (d) Sections 2.07 and 2.9 (relating to telephonic communication and action without a meeting); and
- (e) Section 2.08 (relating to adjournment and notice of adjournment).

Special meetings of committees may also be called by resolution of the Board.

Section 3.05 Resignations and Removals. Any member (and any alternate member) of any committee may resign from such position at any time by submitting an electronic transmission or by delivering a written notice of resignation, signed by such member, to the Chairman of the Board, the President or the Secretary. Such resignation shall take effect upon delivery unless the resignation specifies a later effective date or an effective date determined upon the happening of a specified event. Any member (and any alternate member) of any committee may be removed from such position by the Board at any time, either for or without cause; provided that for so long as the Stockholders Agreement is in effect, the removal of any member of a Committee shall be subject to the then-applicable terms, if any, of the Stockholders Agreement.

Section 3.06 Vacancies. If a vacancy occurs in any committee for any reason, the remaining members (and any alternate members) may continue to act if a quorum is present. A committee vacancy may be filled only by the Board in accordance with Section 3.02 and, for so long as the Stockholders Agreement is in effect, the then-applicable terms, if any, of the Stockholders Agreement.

ARTICLE IV

OFFICERS

Section 4.01 Officers. The Board shall elect a President and a Secretary as officers of the Corporation. The Board may also elect a Chairman of the Board (who, if so elected, must be a Director), a Treasurer, one or more Vice Presidents (any one or more of whom may be designated an Executive Vice President or Senior Vice President or other classifications of Vice Presidents), Assistant Secretaries and Assistant Treasurers, and such other officers and agents as the Board may determine. In addition, the Board from time to time may delegate to any officer the power to appoint subordinate officers or agents and to prescribe their respective rights, terms of office, authorities and duties. Any action by an appointing officer may be superseded by action by the Board. Any number of offices may be held by the same person, except that one person may not hold both the office of President and the office of Secretary. No officer need be a Director. For the avoidance of doubt, the term Vice President shall refer to an officer elected by the Board as Vice President and shall not include any employees of the Corporation whose employment title is "Vice President" unless such individual has been elected as a Vice President of the Corporation in accordance with these bylaws.

Section 4.02 Election. Unless otherwise determined by the Board, the officers of the Corporation need not be elected for a specified term but shall serve at the pleasure of the Board or for such terms as may be agreed in the individual case by each officer and the Board. Officers and agents appointed pursuant to delegated authority as provided in Section 4.01 (or, in the case of agents, as provided in Section 4.07) shall hold their offices for such terms as may be determined from time to time by the appointing officer. Each officer shall hold office until his or her successor has been elected or appointed and qualified, or until his or her earlier death, resignation or removal. A failure to elect officers shall not dissolve or otherwise affect the Corporation.

Section 4.03 Compensation. The salaries and other compensation of all officers and agents of the Corporation shall be fixed by the Board or in the manner established by the Board. An officer of the Corporation shall not be prevented from receiving compensation by reason of the fact that such officer is also a Director.

Section 4.04 Removal and Resignation; Vacancies. Any officer may be removed for or without cause at any time by the Board, without prejudice to the rights, if any, of such officer under any contract to which such officer is a party. Any officer granted the power to appoint subordinate officers and agents as provided in Section 4.01 may remove any subordinate officer or agent appointed by such officer, at any time, for or without cause, without prejudice to the rights, if any, of such officer under any contract to which such officer is a party. Any officer or agent may resign at any time by delivering notice of resignation, either in writing signed by such officer or by electronic transmission, to the Board, the Chairman of the Board or the President, without prejudice to the rights, if any, of the Corporation under any contract to which such officer is a party. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any vacancy occurring in any office of the Corporation by death, resignation, removal or otherwise, may be filled by the Board or by the officer, if any (provided that the delegated authority as provided in Section 4.01 has not been revoked as of such time), who appointed the person formerly holding such office.

Section 4.05 Authority and Duties of Officers. An officer of the Corporation shall have such authority and shall exercise such powers and perform such duties (a) as may be required by law, (b) to the extent not inconsistent with law, as are specified in these bylaws, (c) to the extent not inconsistent with law or these bylaws, as may be specified by resolution of the Board, and (d) to the extent not inconsistent with any of the foregoing, as may be specified by the appointing officer with respect to a subordinate officer appointed pursuant to delegated authority under Section 4.01. The Board may from time to time delegate the powers or duties of any officer to any other officer or agent, notwithstanding any provision hereof.

Section 4.06 Chairman of the Board. If the Chairman of the Board shall have been elected or appointed, the Chairman of the Board shall preside at all meetings of the stockholders and Directors at which he or she is present and shall have such other powers and duties as may from time to time be assigned by the Board.

Section 4.07 President. Unless there is a separately designated Chairman of the Board, the President shall preside at all meetings of the stockholders and Directors at which he or she is present, shall be the chief executive officer of the Corporation, shall have general control and supervision of the policies and operations of the Corporation and shall see that all orders and resolutions of the Board are carried into effect. He or she shall manage and administer the Corporation's business and affairs and shall also perform all duties and exercise all powers usually pertaining to the office of a chief executive officer of a corporation, including, without limitation all powers incident to the title "President" under the DGCL. He or she shall have the authority to sign, in the name and on behalf of the Corporation, checks, orders, contracts, leases, notes, drafts and all other documents and instruments in connection with the business of the Corporation. Except as otherwise determined by the Board, he or she shall have the authority to cause the employment or appointment of such employees (other than the President) or agents of the Corporation as the conduct of the business of the Corporation may require, to fix their compensation, and to remove or suspend such employee or any agent employed or appointed by any officer or to suspend any agent appointed by the Board. In addition, the President shall have such other powers and perform such other duties as may be delegated to him or her by the Board or as are set forth in

the Certificate of Incorporation or these bylaws. The President shall have the duties and powers of the Treasurer if no Treasurer is elected and shall have such other duties and powers as the Board may from time to time prescribe.

Section 4.08 Vice Presidents. Unless otherwise determined by the Board, if one or more Vice Presidents have been elected or appointed, each Vice President shall perform such duties and exercise such powers as may be assigned to him or her from time to time by the Board or the President. In the event of absence or disability of the President, the duties of the President shall be performed, and his or her powers may be exercised, by such Vice President as shall be designated by the Board or, failing such designation, by the Vice President in order of seniority of title, with the title of "Executive Vice President" being more senior than "Senior Vice President" which is, in turn, more senior than "Vice President" (and among Vice Presidents with the same seniority of title, among them in seniority of election or appointment to that office), in each case, without limiting the last sentence of Section 4.01.

Section 4.09 Secretary. Unless otherwise determined by the Board, the Secretary shall issue all authorized notices for, and shall keep minutes of, all meetings of the stockholders and the Board. He or she shall have charge of the corporate books and shall perform other duties as the Board or the President shall designate from time to time.

Section 4.10 Treasurer. Unless otherwise determined by the Board, if the Treasurer shall have been elected or appointed, the Treasurer shall keep or cause to be kept the books of account of the Corporation in a thorough and proper manner and shall render statements of the financial affairs of the Corporation in such form and as often as required by the Board or the President. The Treasurer, subject to the order of the Board, shall have the custody of all funds and securities of the Corporation. The Treasurer shall perform other duties commonly incident to such office and shall also perform such other duties and have such other powers as the Board or the President shall designate from time to time.

Section 4.11 Security. The Board may require any officer, agent or employee of the Corporation to provide security for the faithful performance of his or her duties, in such amount and of such character as may be determined from time to time by the Board.

ARTICLE V

CAPITAL STOCK

Section 5.01 Certificates of Stock; Uncertificated Shares. The shares of the Corporation shall be represented by certificates, except to the extent that the Board has provided by resolution that some or all of any or all classes or series of the stock of the Corporation shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Every holder of stock in the Corporation represented by certificates shall be entitled to have, and the Board may in its sole discretion permit a holder of uncertificated shares to receive upon request, a certificate signed by the President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, representing the number of shares registered in certificate form. Such certificate shall be in such form as the Board may determine, to the extent consistent with applicable law, the Certificate of Incorporation and these bylaws.

Section 5.02 Facsimile Signatures. Any or all signatures on the certificates referred to in Section 5.01 of these bylaws may be in facsimile form, to the extent permitted by law. If any officer, transfer agent or registrar who has signed, or whose facsimile signature has been placed upon, a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he or she were such officer, transfer agent or registrar at the date of issue.

Section 5.03 Lost, Stolen or Destroyed Certificates. A new certificate may be issued in place of any certificate theretofore issued by the Corporation alleged to have been lost, stolen or destroyed only upon delivery to the Corporation of an affidavit of the owner or owners (or their legal representatives) of such certificate, setting forth such allegation, and, if required by the Board, a bond or other undertaking, in such form as may be approved by the Board or a financial officer of the Corporation designated by the Board, to indemnify the Corporation against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of any such new certificate.

Section 5.04 Transfer of Stock.

(a) Upon surrender to the Corporation or the transfer agent of the Corporation of a certificate for shares, duly endorsed or accompanied by appropriate evidence of succession, assignment or authority to transfer, the Corporation shall issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books; provided, however, that the Corporation shall be entitled to recognize and enforce any lawful restriction on transfer. Within a reasonable time after the transfer of uncertificated stock, the Corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to Sections 151, 156, 202(a) or 218(a) of the DGCL. Subject to the provisions of the Certificate of Incorporation and these bylaws, the Board may prescribe such additional rules and regulations as it may deem appropriate relating to the issue, transfer and registration of shares of the Corporation.

(b) The Corporation may enter into additional agreements with stockholders to restrict the transfer of stock of the Corporation in any manner not prohibited by the DGCL.

Section 5.05 Registered Stockholders. Prior to due surrender of a certificate for registration of transfer, the Corporation may treat the registered owner as the person exclusively entitled to receive dividends and other distributions, to vote, to receive notice and otherwise to exercise all the rights and powers of the owner of the shares represented by such certificate, and the Corporation shall not be bound to recognize any equitable or legal claim to or interest in such shares on the part of any other person, whether or not the Corporation shall have notice of such claim or interests; provided, that if a transfer of shares is made for collateral security, and not absolutely, this fact shall be so expressed in the entry of the transfer if, when the certificates are presented to the Corporation for transfer or uncertificated shares are requested to be transferred, both the transferor and transferee request the Corporation to do so.

Section 5.06 Transfer Agent and Registrar. The Board may appoint one or more transfer agents and one or more registrars, and may require all certificates representing shares to bear the signature of any such transfer agents or registrars.

ARTICLE VI

INDEMNIFICATION

Section 6.01 Indemnification.

(a) *In General*. The Corporation shall hold harmless and indemnify, to the fullest extent permitted by the DGCL and other applicable law, as it presently exists or may hereafter be amended, any person who was or is a party or is threatened to be made a party to, or is asked to provide testimony in connection with, or is otherwise involved in, any threatened, pending or

completed action, suit or proceeding, whether civil, criminal, administrative, investigative, legislative or otherwise and whether formal or informal (each, a “proceeding”) by reason of, arising out of, or in any way related to, the fact that (x) such person, or a person for whom he or she is the legal representative, is or was serving or has agreed to serve as a Director or officer of the Corporation, or (y) such person, or a person for whom he or she is the legal representative, while serving as a Director or officer of the Corporation, is or was serving or has agreed to serve at the request of the Corporation as a director, officer, employee, manager or agent of another corporation, partnership, joint venture, trust, nonprofit entity or other enterprise or (z) such person, or a person for whom he or she is the legal representative, is or was serving or has agreed to serve at the request of the Corporation as a director, officer or manager of another corporation, partnership, joint venture, trust or other enterprise (each, an “Other Enterprise”), or by reason of any action alleged to have been taken or omitted by such person in such capacity, and who satisfies the applicable standard of conduct set forth in the DGCL or other applicable law:

(1) in a proceeding other than a proceeding by or in the right of the Corporation, against all expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person or on such person’s behalf in connection with such proceeding and any appeal therefrom; or

(2) in a proceeding by or in the right of the Corporation to procure a judgment in its favor, against all expenses (including attorneys’ fees) actually and reasonably incurred by such person or on such person’s behalf in connection with the defense or settlement of such proceeding and any appeal therefrom; provided, that, no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery or the court in which such proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

The termination of any proceeding or of any claim, issue or matter therein, by judgment, order, settlement (with or without court approval), conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself adversely affect the right to indemnification as set forth herein or create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation or, with respect to any criminal proceeding, that the person had reasonable cause to believe that his conduct was unlawful.

(b) *Indemnification in Respect of Successful Defense.* To the greatest extent permitted by law, to the extent that a present or former Director or officer of the Corporation has been successful on the merits or otherwise in defense of any proceeding referred to in Section 6.01(a) or in defense of any claim, issue or matter therein, such person shall be conclusively determined to be entitled to indemnification hereunder with respect to such proceeding. Further, for purposes of this Section 6.01(b) and without limitation, the termination of any proceeding referred to in Section 6.01(a), or claim, issue or matter in such proceeding, by settlement (with or without court approval), entry of a plea of nolo contendere (or its equivalent) or by dismissal, with or without prejudice, shall be deemed to be a successful resolution as to such proceeding, claim, issue or matter.

(c) *Indemnification in Respect of Proceedings Instituted by Indemnitee.* Section 6.01(a) does not require the Corporation to indemnify a present or former Director or officer of the Corporation in respect of a proceeding (or part thereof) instituted by such person on his or her own behalf (other than by way of defense, counterclaim or crossclaim), unless such proceeding (or part thereof) has been authorized in the specific case by the Board or the indemnification requested is pursuant to the last sentence of Section 6.03 of these bylaws.

Section 6.02 Advancement of Expenses. The Corporation shall advance all expenses (including reasonable attorneys' fees) incurred by a present or former Director or officer in defending any proceeding prior to the final disposition of such proceeding upon written request of such person and delivery of an undertaking by such person to repay such amount if it shall ultimately be determined by final judicial decision of a court of competent jurisdiction from which there is no further right of appeal that such person is not entitled to be indemnified by the Corporation. The indemnified party's undertaking to repay the Corporation any amounts advanced for expenses shall not be required to be secured and shall not bear interest. Advancements shall be made without regard to the indemnified party's ability to repay the expenses. The Corporation shall not impose on the indemnified party additional conditions to advancement of expenses or require from the indemnitee additional undertakings regarding repayment. Advancements of expenses pursuant to this subsection shall not require approval of the Board or the stockholders of the Corporation, or of any other person or body. The Secretary shall promptly advise the Board in writing of the request for advancement of expenses, of the amount and other details of the request and of the undertaking to make repayment provided pursuant to this subsection. Advancements of expenses shall be made within ten (10) calendar days after receipt by the Corporation of a statement or statements requesting such advancements from time to time. Advancements of expenses shall include any and all reasonable Expenses incurred pursuing an action to enforce this right of advancement, including expenses incurred preparing and forwarding statements to the Corporation to support the advancements claimed. The Corporation may authorize any counsel for the Corporation to represent (subject to applicable conflict of interest considerations) such present or former Director or officer in any proceeding, whether or not the Corporation is a party to such proceeding.

Section 6.03 Procedure for Indemnification. Any indemnification under Section 6.01 of these bylaws or any advancement of expenses under Section 6.02 of these bylaws shall be made only against a written request therefor (together with supporting documentation) submitted by or on behalf of the person seeking indemnification or advancement. Indemnification may be sought by a person under Section 6.01 of these bylaws in respect of a proceeding only to the extent that both the liabilities for which indemnification is sought and all portions of the proceeding relevant to the determination of whether the person has satisfied any appropriate standard of conduct have become final. A person seeking indemnification or advancement of expenses may seek to enforce such person's rights to indemnification or advance of expenses (as the case may be) in the Delaware Court of Chancery to the extent all or any portion of a requested indemnification has not been granted within ninety (90) days of, or to the extent all or any portion of a requested advance of expenses has not been granted within ten (10) days of, the submission of such request. All expenses (including reasonable attorneys' fees) incurred by such person in connection with successfully establishing such person's right to indemnification or advancement of expenses under this Article VI, in whole or in part, shall also be indemnified by the Corporation to the fullest extent permitted by law.

Section 6.04 Burden of Proof.

(a) In any proceeding brought to enforce the right of a person to receive indemnification to which such person is entitled under Section 6.01 of these bylaws, it shall be presumed, to the fullest extent not prohibited by law, that such person is entitled to indemnification under this Agreement and the Corporation shall have the burden to overcome such presumption by establishing that there is no reasonable basis to support it. A prior determination by the Corporation (including its Board or any committee thereof, its independent legal counsel, or its stockholders) that the claimant is not entitled to indemnification shall not prejudice the claimant in any proceeding brought to enforce the right of such person to receive indemnification (and the Corporation may not refer to or introduce into evidence any

such determination in such proceeding) and any such proceeding shall be conducted in all respects as a de novo trial, or arbitration, on the merits. For purposes of any determination of good faith, a person shall be deemed to have acted in good faith if the action or failure to act is based on the records or books of account of the Corporation or an Other Enterprise, including financial statements, or on information supplied to such person by the officers, employees, boards (or committees thereof) of the Corporation or an Other Enterprise in the course of their duties, or on the advice of legal counsel or other advisors (including financial advisors and accountants) for the Corporation or an Other Enterprise or on information or records given or reports made to the Corporation or an Other Enterprise by an independent certified public accountant or by an appraiser or other expert or advisor selected by the Corporation or an Other Enterprise. The provisions of this Section 6.04(a) shall not be deemed to be exclusive or to limit in any way the other circumstances in which a person may be deemed or found to have met the applicable standard of conduct.

(b) In any proceeding brought to enforce a claim for advances to which a person is entitled under Section 6.02 of these bylaws, the person seeking an advancement need only show that he or she has satisfied the requirements expressly set forth in Section 6.02 of these bylaws.

(c) The knowledge and/or actions, or failure to act, of any other Director or officer of the Corporation or an Other Enterprise shall not be imputed to an indemnified person for purposes of determining the right to indemnification under this Article VI.

Section 6.05 Contract Right; Non-Exclusivity; Survival.

(a) The rights to indemnification and advancement of expenses provided by this Article VI shall be deemed to be separate contract rights between the Corporation and each Director and officer who serves in any such capacity at any time while these provisions as well as the relevant provisions of the DGCL are in effect, and such contract rights shall vest immediately upon the commencement of such person's service to the Corporation or, in the case of service to an Other Enterprise at the request of the Corporation, to an Other Enterprise. Persons who after the date of the adoption of this provision serve or continue to serve the Corporation as Directors or officers or who, while serving as such, serve or continue to serve an Other Enterprise at the request of the Corporation, shall be conclusively presumed to have relied on the rights to indemnification and advancement of expenses contained in this Article VI. No repeal or modification of any of these provisions or any relevant provisions of the DGCL shall adversely affect any right or obligation of such Director or officer existing at the time of such repeal or modification with respect to any state of facts then or previously existing or any proceeding previously or thereafter brought or threatened based in whole or in part upon any such state of facts. Such "contract rights" may not be modified retroactively as to any present or former Director or officer without the consent of such Director or officer.

(b) The rights to indemnification and advancement of expenses provided by this Article VI shall not be deemed exclusive of any other rights to indemnification or advancement of expenses to which a present or former Director or officer of the Corporation seeking indemnification or advancement of expenses may be entitled by any agreement, vote of stockholders or disinterested Directors, or otherwise.

(c) The rights to indemnification and advancement of expenses provided by this Article VI to any present or former Director or officer of the Corporation shall continue as to a person who has ceased to be a Director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

Section 6.06 Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was or has agreed to become a Director, officer, employee or agent of the

Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person or on such person's behalf in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this Article VI. The Corporation may also create a trust fund, grant a security interest and/or use other means (including, without limitation, letters of credit, surety bonds and/or other similar arrangements) to the fullest extent authorized or permitted by applicable law to ensure the payment of such amounts as may become necessary to effect the indemnification as provided in this Article VI or elsewhere.

Section 6.07 Employees and Agents. The Board, or any officer authorized by the Board generally or in the specific case to make indemnification decisions, may cause the Corporation to indemnify and advance expenses to any present or former employee or agent of the Corporation in such manner and for such liabilities as the Board may determine, up to the fullest extent permitted by the DGCL and other applicable law.

Section 6.08 Interpretation; Severability. Terms defined in Sections 145(h) or (i) of the DGCL have the meanings set forth in such sections when used in this Article VI. If this Article VI or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless (i) indemnify each Director or officer of the Corporation as to costs, charges and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative, including an action by or in the right of the Corporation, and (ii) advance expenses to each Director or officer of the Corporation entitled to advancement of expenses under Section 6.02 in accordance therewith, in each case, to the fullest extent permitted by any applicable portion of this Article VI that shall not have been invalidated and to the fullest extent permitted by applicable law.

Section 6.09 Subrogation. Any person entitled to indemnification and/or advancement of expenses, in each case pursuant to this Article VI, and that is an officer, employee, partner or advisor of the Carlyle Stockholder (as such term is defined in the Certificate of Incorporation) (each such person, a "Sponsor Indemnitee"), may have certain rights to indemnification and/or advancement of expenses provided by or on behalf of the Carlyle Stockholder. Notwithstanding anything to the contrary in these bylaws or otherwise: (i) the Corporation is the indemnitor of first resort (i.e., the Corporation's obligations to each Sponsor Indemnitee are primary and any obligation of the Carlyle Stockholder to advance expenses or to provide indemnification for the same expenses or liabilities incurred by each Sponsor Indemnitee are secondary), (ii) the Corporation will be required to advance the full amount of expenses incurred by each Sponsor Indemnitee and will be liable for the full amount of all liabilities, expenses, judgments, penalties, fines and amounts paid in settlement to the extent legally permitted and as required by this Article VI, without regard to any rights each Sponsor Indemnitee may have against the Carlyle Stockholder, and (iii) the Corporation irrevocably waives, relinquishes and releases the Carlyle Stockholder from any and all claims against the Carlyle Stockholder for contribution, subrogation or any other recovery of any kind in respect thereof. Notwithstanding anything to the contrary in these bylaws or otherwise, no advancement or payment by the Carlyle Stockholder on behalf of a Sponsor Indemnitee with respect to any claim for which such Sponsor Indemnitee has sought indemnification or advancement of expenses from the Corporation will affect the foregoing and the Carlyle Stockholder will have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of such Sponsor Indemnitee against the Corporation. The Carlyle Stockholder is an express third party beneficiary of the terms of this Article VI.

ARTICLE VII

OFFICES

Section 7.01 Registered Office. The registered office of the Corporation in the State of Delaware shall be located at the location provided in the Certificate of Incorporation.

Section 7.02 Other Offices. The Corporation may maintain offices or places of business at such other locations within or outside the State of Delaware as the Board may from time to time determine or as the business of the Corporation may require.

ARTICLE VIII

GENERAL PROVISIONS

Section 8.01 Dividends.

(a) Subject to any applicable provisions of law and the Certificate of Incorporation, dividends upon the shares of the Corporation may be declared by the Board at any regular or special meeting of the Board, or by written consent in accordance with the DGCL and these bylaws, and any such dividend may be paid in cash, property or shares of the Corporation's stock.

(b) A member of the Board, or a member of any committee designated by the Board shall be fully protected in relying in good faith upon the records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of its officers or employees, or committees of the Board, or by any other person as to matters the Director reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation, as to the value and amount of the assets, liabilities and/or net profits of the Corporation, or any other facts pertinent to the existence and amount of surplus or other funds from which dividends might properly be declared and paid.

Section 8.02 Reserves. There may be set apart out of any funds of the Corporation available for dividends such sum or sums as the Board from time to time may determine proper as a reserve or reserves for meeting contingencies, equalizing dividends, repairing or maintaining any property of the Corporation or for such other purpose or purposes as the Board may determine conducive to the interest of the Corporation and its stockholders, and the Board may similarly modify or abolish any such reserve.

Section 8.03 Execution of Instruments. Except as otherwise required by law or the Certificate of Incorporation, the Board or any officer of the Corporation authorized by the Board may authorize any other officer or agent of the Corporation to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation. Any such authorization must be in writing or by electronic transmission and may be general or limited to specific contracts or instruments.

Section 8.04 Voting as Stockholder. Unless otherwise determined by resolution of the Board, the President or any officer of the Corporation authorized thereby shall have full power and authority on behalf of the Corporation to attend any meeting of stockholders or equityholders of any corporation or other entity in which the Corporation may hold securities, and to act, vote (or execute proxies to vote) and exercise in person or by proxy all other rights, powers and privileges incident to the ownership of such securities at any such meeting, or through action without a meeting. The Board may by resolution from time to time confer such power and authority (in general or confined to specific instances) upon any other person or persons.

Section 8.05 Fiscal Year. The fiscal year of the Corporation shall end on December 31st of each year, or such other twelve (12) consecutive months as the Board may designate.

Section 8.06 Seal. The seal of the Corporation shall be circular in form and shall contain the name of the Corporation, the year of its incorporation and the words "Corporate Seal" and "Delaware". The form of such seal shall be subject to alteration by the Board. The seal may be used by causing it or a facsimile thereof to be impressed, affixed or reproduced, or may be used in any other lawful manner.

Section 8.07 Books and Records; Inspection. Except to the extent otherwise required by law, the books and records of the Corporation shall be kept at such place or places within or outside the State of Delaware as may be determined from time to time by the Board.

Section 8.08 Electronic Transmission. "Electronic transmission", as used in these bylaws, means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

ARTICLE IX

AMENDMENT OF BYLAWS

Subject to the provisions of the Certificate of Incorporation, these bylaws may be amended, altered or repealed (a) by resolution adopted by a majority of the total number of authorized Directors (whether or not there exists any vacancies in previously authorized directorships at the time such resolution is presented to the Board for adoption) acting at any special or regular meeting of the Board if, in addition to any other notice required by these Bylaws and other applicable requirements contained herein, notice of such amendment, alteration or repeal is contained in the notice or waiver of notice of such meeting, which notice shall also include, without limitation, the text of any such proposed amendment and/or any resolution calling for any such amendment, alteration or repeal, (b) until the Trigger Date, at any regular or special meeting of the stockholders upon the affirmative vote of the holders of a majority of the shares of the Corporation entitled to vote generally in the election of Directors, voting together as a single class, if, in the case of such special meeting only, in addition to any other notice required by these Bylaws and other applicable requirements contained herein, notice of such amendment, alteration or repeal is contained in the notice or waiver of notice of such meeting, which notice shall also include, without limitation, the text of any such proposed amendment and/or any resolution calling for any such amendment, alteration or repeal, or (c) from and after the Trigger Date, at any regular or special meeting of the stockholders upon the affirmative vote of the holders of at least three-quarters of the shares of the Corporation entitled to vote generally in the election of Directors, voting together as a single class, if, in the case of such special meeting only, in addition to any other notice required by these Bylaws and other applicable requirements contained herein, notice of such amendment, alteration or repeal is contained in the notice or waiver of notice of such meeting, which notice shall also include, without limitation, the text of any such proposed amendment and/or any resolution calling for any such amendment, alteration or repeal. So long as the Stockholders Agreement remains in effect, the Board shall not approve any amendment, alteration or repeal of any provision of these bylaws, or the adoption of any new bylaw, that would be contrary to or inconsistent with the Stockholders Agreement or this sentence.

Notwithstanding the foregoing, (x) no amendment to the Stockholders Agreement (whether or not such amendment modifies any provision of the Stockholders Agreement to which these bylaws are subject) shall be deemed an amendment of these bylaws for purposes of this Section 9.01, and (y) no

amendment, alteration or repeal of Article VI shall adversely affect any right or protection existing under bylaws immediately prior to such amendment, alteration or repeal, including any right or protection of a present or former Director or officer thereunder in respect of any act or omission occurring prior to the time of such amendment.

ARTICLE X

CONSTRUCTION

In the event of any conflict between the provisions of these bylaws as in effect from time to time and the provisions of the Certificate of Incorporation as in effect from time to time, the provisions of such Certificate of Incorporation shall be controlling.

* * * *

MANAGEMENT CERTIFICATION

I, Marvin S. Edwards, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of CommScope Holding Company, 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)) 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; and
 - b) [not applicable]
 - 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.

Dated: November 6, 2013

/s/ Marvin S. Edwards, Jr.

Name: Marvin S. Edwards, Jr.

Title: President, Chief Executive Officer and Director
(Principal Executive Officer)

MANAGEMENT CERTIFICATION

I, Mark A. Olson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CommScope Holding Company, 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)) 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; and
 - b) [not applicable]
 - 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.

Dated: November 6, 2013

/s/ Mark A. Olson

Name: Mark A. Olson

Title: Executive Vice President and Chief Financial Officer
(Principal 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 CommScope Holding Company, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Marvin S. Edwards, Jr., President, Chief Executive Officer and Director of the Company, and Mark A. Olson, 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:

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: November 6, 2013

/s/ Marvin S. Edwards, Jr.

Marvin S. Edwards, Jr.
President, Chief Executive Officer and Director
(Principal Executive Officer)

/s/ Mark A. Olson

Mark A. Olson
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)