
**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 quarter ended October 2, 2015

OR

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

For the transition period from to

Commission File No.: 1-4850



COMPUTER SCIENCES CORPORATION

(Exact name of Registrant as specified in its charter)

Nevada

(State or Other Jurisdiction of
Incorporation or Organization)

95-2043126

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

3170 Fairview Park Drive

Falls Church, Virginia

(Address of principal executive offices)

22042

(zip code)

Registrant's telephone number, including area code: (703) 876-1000

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit 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 definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act (Check one).

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

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

138,783,908 shares of Common Stock, \$1.00 par value, were outstanding on October 23, 2015.

COMPUTER SCIENCES CORPORATION

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PART I. ITEM 1. FINANCIAL STATEMENTS

COMPUTER SCIENCES CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS (unaudited)

(Amounts in millions, except per-share amounts)	Quarter Ended		Six Months Ended	
	October 2, 2015	October 3, 2014	October 2, 2015	October 3, 2014
Revenues	\$ 2,712	\$ 3,080	\$ 5,473	\$ 6,317
Costs of services (excludes depreciation and amortization and restructuring costs)	1,970	2,207	3,996	4,571
Selling, general and administrative (excludes restructuring costs)	286	346	570	690
Depreciation and amortization	203	252	410	524
Restructuring costs	6	(7)	6	3
Separation and merger costs	46	—	64	—
Interest expense	35	36	70	75
Interest income	(7)	(5)	(18)	(10)
Other (income) expense, net	(3)	6	(29)	5
Total costs and expenses	2,536	2,835	5,069	5,858
Income from continuing operations, before taxes	176	245	404	459
Income tax (benefit) expense	3	68	67	123
Income from continuing operations	173	177	337	336
Loss from discontinued operations, net of taxes	—	(21)	—	(29)
Net income	173	156	337	307
Less: net income attributable to noncontrolling interest, net of tax	6	5	10	10
Net income attributable to CSC common stockholders	\$ 167	\$ 151	\$ 327	\$ 297
Earnings (loss) per common share				
Basic:				
Continuing operations	\$ 1.21	\$ 1.20	\$ 2.37	\$ 2.26
Discontinued operations	—	(0.15)	—	(0.20)
	\$ 1.21	\$ 1.05	\$ 2.37	\$ 2.06
Diluted:				
Continuing operations	\$ 1.19	\$ 1.18	\$ 2.32	\$ 2.22
Discontinued operations	—	(0.14)	—	(0.20)
	\$ 1.19	\$ 1.04	\$ 2.32	\$ 2.02
Cash dividend per common share	\$ 0.23	\$ 0.23	\$ 0.46	\$ 0.46

See accompanying notes.

COMPUTER SCIENCES CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (unaudited)

(Amounts in millions)	Quarter Ended		Six Months Ended	
	October 2, 2015	October 3, 2014	October 2, 2015	October 3, 2014
Net income	\$ 173	\$ 156	\$ 337	\$ 307
Other comprehensive loss, net of taxes:				
Foreign currency translation adjustments	(110)	(133)	(57)	(99)
Loss on foreign currency forward contracts	(14)	(5)	(12)	(6)
Unrealized loss on available-for-sale securities	(6)	—	—	—
Pension and other post-retirement benefit plans	(6)	(3)	(13)	(4)
Other comprehensive loss, net of taxes	(136)	(141)	(82)	(109)
Comprehensive income	37	15	255	198
Less: comprehensive income attributable to noncontrolling interest, net of taxes	6	5	10	10
Comprehensive income attributable to CSC common stockholders	\$ 31	\$ 10	\$ 245	\$ 188

See accompanying notes.

COMPUTER SCIENCES CORPORATION
CONSOLIDATED CONDENSED BALANCE SHEETS (unaudited)

(Amounts in millions, except share and per-share data)	As of	
	October 2, 2015	April 3, 2015
Current assets:		
Cash and cash equivalents	\$ 1,818	\$ 2,098
Receivables, net of allowance for doubtful accounts of \$41 (fiscal 2016) and \$41 (fiscal 2015)	2,127	2,369
Prepaid expenses and other current assets	500	438
Total current assets	4,445	4,905
Property and equipment, net of accumulated depreciation of \$3,567 (fiscal 2016) and \$3,461 (fiscal 2015)	1,519	1,583
Software, net of accumulated amortization of \$1,614 (fiscal 2016) and \$1,642 (fiscal 2015)	774	751
Outsourcing contract costs, net of accumulated amortization of \$465 (fiscal 2016) and \$476 (fiscal 2015)	338	326
Goodwill, net	1,842	1,671
Other assets	1,095	965
Total Assets	\$ 10,013	\$ 10,201
Current liabilities:		
Short-term debt and current maturities of long-term debt	\$ 894	\$ 904
Accounts payable	436	422
Accrued payroll and related costs	377	356
Accrued expenses and other current liabilities	1,028	1,239
Deferred revenue and advance contract payments	587	618
Income taxes payable and deferred income taxes	55	62
Total current liabilities	3,377	3,601
Long-term debt, net of current maturities	1,716	1,765
Income tax liabilities and deferred income taxes	451	412
Other long-term liabilities	1,423	1,474
CSC stockholders' equity		
Common stock, par value \$1 per share; authorized 750,000,000; issued 148,484,053 (fiscal 2016) and 148,373,736 (fiscal 2015)	148	148
Additional paid-in capital	2,312	2,286
Earnings retained for use in business	1,091	912
Accumulated other comprehensive (loss) income	(61)	21
Less common stock in treasury, at cost, 10,011,393 (fiscal 2016) and 9,600,396 (fiscal 2015)	(473)	(446)
Total CSC stockholders' equity	3,017	2,921
Noncontrolling interest in subsidiaries	29	28
Total Equity	3,046	2,949
Total Liabilities and Equity	\$ 10,013	\$ 10,201

See accompanying notes.

COMPUTER SCIENCES CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS (unaudited)

(Amounts in millions)	Six Months Ended	
	October 2, 2015	October 3, 2014
Cash flows from operating activities:		
Net income	\$ 337	\$ 307
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	410	524
Stock-based compensation	7	35
Net gain on dispositions of businesses and assets	(55)	(13)
Excess tax benefit from stock based compensation	(16)	(12)
Other non cash charges, net	19	21
Changes in assets and liabilities, net of effects of acquisitions and dispositions:		
Decrease (increase) in assets	176	(32)
Decrease in liabilities	(437)	(340)
Net cash provided by operating activities	441	490
Cash flows from investing activities:		
Purchases of property and equipment	(184)	(201)
Payments for outsourcing contract costs	(53)	(28)
Software purchased and developed	(104)	(104)
Payments for acquisitions, net of cash acquired	(236)	(35)
Business dispositions	34	(13)
Proceeds from sale of assets	50	70
Other investing activities, net	12	13
Net cash used in investing activities	(481)	(298)
Cash flows from financing activities:		
Borrowings of commercial paper	299	—
Payments of commercial paper	(84)	—
Borrowings under lines of credit	1,310	—
Repayment of borrowings under lines of credit	(1,150)	(32)
Principal payments on long-term debt	(461)	(139)
Proceeds from stock options and other common stock transactions	45	125
Excess tax benefit from stock-based compensation	16	12
Repurchase of common stock	(118)	(559)
Dividend payments	(64)	(63)
Other financing activities, net	(6)	—
Net cash used in financing activities	(213)	(656)
Effect of exchange rate changes on cash and cash equivalents	(27)	(56)
Net decrease in cash and cash equivalents	(280)	(520)
Cash and cash equivalents at beginning of year	2,098	2,443
Cash and cash equivalents at end of period	\$ 1,818	\$ 1,923

See accompanying notes.

COMPUTER SCIENCES CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF CHANGES IN EQUITY (unaudited)

(Amounts in millions, except shares in thousands)	Common Stock		Additional Paid-in Capital	Earnings Retained for Use in Business	Accumulated Other Comprehensive Income (Loss)	Common Stock in Treasury	Total CSC Equity	Non- Controlling Interest	Total Equity
	Shares	Amount							
Balance at April 3, 2015	148,374	\$ 148	\$ 2,286	\$ 912	\$ 21	\$ (446)	\$ 2,921	\$ 28	\$ 2,949
Net income				327			327	10	337
Other comprehensive loss					(82)		(82)		(82)
Stock based compensation expense			6				6		6
Acquisition of treasury stock						(27)	(27)		(27)
Stock option exercises and other common stock transactions	2,053	2	52				54		54
Share repurchase program	(1,943)	(2)	(32)	(84)			(118)		(118)
Cash dividends declared				(64)			(64)		(64)
Noncontrolling interest distributions and other							—	(9)	(9)
Balance at October 2, 2015	148,484	\$ 148	\$ 2,312	\$ 1,091	\$ (61)	\$ (473)	\$ 3,017	\$ 29	\$ 3,046

(Amounts in millions, except shares in thousands)	Common Stock		Additional Paid-in Capital	Earnings Retained for Use in Business	Accumulated Other Comprehensive Income (Loss)	Common Stock in Treasury	Total CSC Equity	Non- Controlling Interest	Total Equity
	Shares	Amount							
Balance at March 28, 2014	154,721	\$ 155	\$ 2,304	\$ 1,592	\$ 279	\$ (418)	\$ 3,912	\$ 32	\$ 3,944
Net income				297			297	10	307
Other comprehensive loss					(109)		(109)		(109)
Stock based compensation expense			35				35		35
Acquisition of treasury stock						(18)	(18)		(18)
Stock option exercises and other common stock transactions	3,497	3	136				139		139
Share repurchase program	(8,314)	(8)	(136)	(359)			(503)		(503)
Cash dividends declared				(66)			(66)		(66)
Noncontrolling interest distributions and other				(11)	11		—	(10)	(10)
Balance at October 3, 2014	149,904	\$ 150	\$ 2,339	\$ 1,453	\$ 181	\$ (436)	\$ 3,687	\$ 32	\$ 3,719

See accompanying notes.

COMPUTER SCIENCES CORPORATION
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (unaudited)

Note 1 - Basis of Presentation

Computer Sciences Corporation (CSC or the Company) has prepared the interim period unaudited Consolidated Condensed Financial Statements included herein, as of and for the quarters ended October 2, 2015 and October 3, 2014, pursuant to the rules and regulations of the Securities and Exchange Commission (SEC). Certain information and disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles in the United States of America (GAAP) have been condensed or omitted pursuant to such rules and regulations. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the unaudited Consolidated Condensed Financial Statements and the accompanying notes. The unaudited Consolidated Condensed Financial Statements should be read in conjunction with the financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended April 3, 2015 (fiscal 2015).

On November 4, 2015, the Company's Board of Directors approved the separation of the Company's U.S. public sector business (see Note 19).

In the opinion of management, the unaudited Consolidated Condensed Financial Statements included herein reflect all adjustments necessary, including those of a normal recurring nature, to present fairly the financial position, the results of operations and the cash flows for such interim periods. The results of operations for such interim periods are not necessarily indicative of the Company's actual or expected results for the full year ending April 1, 2016 (fiscal 2016).

The Company reports its results based on a fiscal year convention that comprises four thirteen-week quarters. Every fifth year includes an additional week in the first quarter to prevent the fiscal year from moving from an approximate end of March date. As a result, the first quarter of fiscal 2015 was a fourteen-week quarter.

The Company's income from continuing operations, before taxes and noncontrolling interest, and diluted earnings per share (EPS) from continuing operations, included the following adjustments due to changes in estimated profitability on fixed price contracts accounted for under the percentage-of-completion method, for the quarters ended October 2, 2015 and October 3, 2014:

(Amounts in millions, except per-share data)	Quarter Ended		Six Months Ended	
	October 2, 2015	October 3, 2014	October 2, 2015	October 3, 2014
Gross favorable	\$ 15	\$ 43	\$ 37	\$ 72
Gross unfavorable	(2)	(7)	(11)	(17)
Total net adjustments, before taxes and non-controlling interest	\$ 13	\$ 36	\$ 26	\$ 55
Impact on diluted EPS from continuing operations	\$ 0.05	\$ 0.15	\$ 0.11	\$ 0.21

Unbilled recoverable amounts under contracts in progress do not have an allowance for credit losses, and therefore, any adjustments to unbilled recoverable amounts under contracts in progress related to credit quality would be accounted for as a reduction of revenue. Unbilled recoverable amounts under contracts in progress resulting from sales, primarily to the United States (U.S.) and other governments, that are expected to be collected after one year totaled \$27 million and \$19 million as of October 2, 2015 and April 3, 2015, respectively.

Depreciation expense was \$131 million and \$265 million for the quarter and six months ended October 2, 2015, respectively, and \$155 million and \$324 million for the quarter and six months ended October 3, 2014, respectively.

COMPUTER SCIENCES CORPORATION
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (unaudited)

Note 2 - Recent Accounting Pronouncements

New Accounting Standards

During the six months of fiscal 2016, the Company adopted the following Accounting Standard Update (ASU):

In April 2014, the FASB issued ASU No. 2014-08, "Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity" (ASU 2014-08), which changes the requirements for reporting discontinued operations in Subtopic 205-20 "Presentation of Financial Statements - Discontinued Operations." The ASU changes the definition of discontinued operations by limiting discontinued operations reporting to disposals that represent strategic shifts that have (or will have) a major effect on an entity's operations and financial results. Under the previous guidance, many disposals, some of which may have been routine in nature and not representative of a substantive change in an entity's strategy, were reported in discontinued operations. ASU 2014-08 requires expanded disclosures for discontinued operations designed to provide users of financial statements with more information about the assets, liabilities, revenues, expenses and cash flows related to discontinued operations. ASU 2014-08 also requires an entity to disclose the pretax profit or loss (or change in net assets for a not-for-profit entity) of an individually significant component of an entity that does not qualify for discontinued operations reporting. The adoption of ASU 2014-08, effective as of April 4, 2015, did not have a material impact on CSC's Consolidated Condensed Financial Statements.

Standards Issued But Not Yet Effective

The following ASUs were recently issued but have not yet been adopted by CSC:

In September 2015, the FASB issued ASU 2015-16, Business Combinations (Topic 805), "Simplifying the Accounting for Measurement Period Adjustments" (ASU 2015-16). This ASU requires that an acquirer recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined. The amendments in this update require that the acquirer record, in the same period's financial statements, the effect on earnings of charges in depreciation, amortization, or other income effects, if any, as a result of the change to the provisional amounts, calculated as if the accounting had been completed at the acquisition date. The amendments in this update require an entity to present separately on the face of the income statement or disclose in the notes the portion of the amount recorded in current-period earnings by line item that would have been recorded in previous reporting periods if the adjustment to the provisional amounts had been recognized as of the acquisition date. CSC believes based on recent acquisitions that the impact that the adoption of ASU 2015-16 is immaterial. ASU 2015-16 will be effective for CSC in fiscal 2017.

In August 2015, the FASB issued ASU No. 2015-15, "Interest—Imputation of Interest (Subtopic 835-30): Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements—Amendments to SEC Paragraphs Pursuant to Staff Announcement at June 18, 2015 EITF Meeting" (ASU 2015-15). Specifically, the ASU states that the SEC staff would not object to an entity deferring and presenting debt issuance costs as an asset and subsequently amortizing deferred debt issuance costs ratably over the term of the underlying line of credit (LOC) arrangement, regardless of whether there are outstanding borrowings under that LOC arrangement. . Presentation of fees under LOC arrangements had not been specified in earlier guidance issued by the FASB in April, 2015, ASU 2015-03, "Interest—Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs" (ASU 2015-03), which changed the presentation of debt issuance costs in financial statements. Under the guidance in ASU 2015-03, debt issuance costs (other than those in LOC arrangements) are presented in the balance sheet as a direct deduction from the related debt liability rather than as an asset. Amortization of the costs is reported as interest expense. ASU 2015-15 is effective upon adoption of ASU 2015-03. Early adoption of ASU 2015-03 is allowed for financial statements that have not previously been issued. The guidance is to be applied retrospectively to all prior periods. ASUs 2015-03 and 2015-15 will be effective for CSC beginning in fiscal 2017. CSC is currently evaluating the impact that the combined adoption of ASUs 2015-03 and 2015-15 may have on CSC's Consolidated Condensed Financial Statements.

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)" (ASU 2014-09). ASU 2014-09 supersedes the revenue recognition requirements in Accounting Standards Codification (ASC) Topic 605, "Revenue Recognition" and some cost guidance included in ASC Subtopic 605-35, "Revenue Recognition—Construction-

COMPUTER SCIENCES CORPORATION
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (unaudited)

Type and Production-Type Contracts". The core principle of ASU 2014-09 is that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which CSC expects to be entitled in exchange for those goods or services. ASU 2014-09 requires the disclosure of sufficient information to enable users of CSC's financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts. CSC will also be required to disclose information regarding significant judgments and changes in judgments, and assets recognized from costs incurred to obtain or fulfill a contract. Early adoption is not allowed. ASU 2014-09 provides two methods of retrospective application. The first method would require CSC to apply ASU 2014-09 to each prior reporting period presented. The second method would require CSC to retrospectively apply ASU 2014-09 with the cumulative effect of initially applying ASU 2014-09 recognized at the date of initial application. CSC expects that ASU 2014-09 will be effective for CSC beginning in fiscal 2019 as a result of ASU 2015-14, "Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date" which was issued by the FASB in August 2015 and permits a one-year delay of the original effective date. CSC is currently evaluating the impact that the adoption of ASUs 2014-09 and 2015-14 may have on CSC's Consolidated Condensed Financial Statements.

Other recently issued ASUs effective after October 2, 2015 are not expected to have a material effect on CSC's Consolidated Condensed Financial Statements.

Note 3 - Settlement of SEC Investigation

During the first quarter of fiscal 2016, the previously disclosed agreed-upon settlement with the SEC was formally approved by the SEC. The settlement became effective on June 5, 2015 and the Company paid a penalty of \$190 million on June 11, 2015. As part of the settlement, the Company also agreed to implement a review of its compliance policies through an independent compliance consultant and to cease and desist from further violations of the anti-fraud, reporting, and books-and-records provisions of the U.S. securities laws. As part of the settlement, the Company neither admitted nor denied the SEC's allegations concerning such matters. Further, as part of the settlement, on June 5, 2015, the Company filed its Form 10-K/A in respect of its fiscal year ended March 28, 2014 in order to restate its financial statements for fiscal 2012 and its summary financial results for fiscal 2011 and 2010 reflected in the five year financial data table, all as previously set forth in the Company's originally filed Form 10-K for its 2014 fiscal year. The restatement had no impact on the Company's Consolidated Balance Sheets, Statements of Operations, Statements of Comprehensive Income (Loss), Statements of Cash Flows and Statements of Changes in Equity for fiscal 2013 or fiscal 2014 or on its financial statements for fiscal 2015. The independent compliance consultant completed its review of the Company's compliance policies and submitted its report to the SEC on October 2, 2015. The Company has begun implementation of the consultant's recommendations.

Note 4 - Acquisitions and Divestitures

Fiscal 2016 Acquisitions

On September 24, 2015, CSC acquired Fixnetix, Limited (Fixnetix), a privately held provider of front-office managed trading solutions for capital markets, for total estimated purchase consideration of \$110 million. The acquisition enhances CSC's ability to offer capital market clients an expanded range of as-a-service front office capabilities and address growing demand for greater efficiency and innovation in trading, market data, hosting, infrastructure, connectivity and risk management.

The purchase consideration included cash of \$88 million (net of \$1 million of cash acquired) paid at closing, and the preliminarily estimated fair value of contingent consideration of \$21 million (see Note 7). The estimated amount of contingent consideration was based on a contractually defined multiple of Fixnetix's revenues during two specified periods, as well as other considerations. Should the final amount of contingent consideration be different from the preliminary estimate of \$21 million, the difference will be recorded as other income or expense in the future periods. The range of possible outcomes for the final fair value of the contingent consideration is \$0 to \$26 million. A portion of the earnout is expected to be paid on the first anniversary of the acquisition date and the remainder is expected to be paid on the second anniversary of the acquisition date. The acquisition was funded from CSC's existing cash balances. The Company incurred transaction costs of under \$1 million associated with this acquisition. These costs were expensed and are included within selling, general and administrative expenses.

COMPUTER SCIENCES CORPORATION
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (unaudited)

The preliminary allocation of the purchase price to the assets acquired and liabilities assumed is presented below:

(Amounts in millions)	Estimated Fair Value
Accounts receivable and other current assets	\$ 13
Intangible asset - developed technology	12
Intangible assets - customer relationships and trade names	31
Property and equipment and other noncurrent assets	8
Trade payables, accrued expenses and deferred revenue	(24)
Leases and other long-term liabilities	(6)
Deferred tax liability, net	(4)
Total identifiable net assets acquired	30
Goodwill	80
Total estimated consideration	\$ 110

The goodwill recognized in the acquisition is attributable to the intellectual capital, the acquired assembled work force, and expected cost synergies, none of which qualify for recognition as a separate intangible asset; it is associated with the GIS segment and is not tax-deductible.

On September 17, 2015, CSC acquired Fruition Partners (Fruition), a privately-held company that is a leading provider of technology-enabled solutions for the service management sector and the largest ServiceNow-exclusive service management consulting firm. The acquisition bolsters CSC's ability to offer enterprise and emerging clients an expanded range of cloud-based service-management solutions to improve their business through organizational efficiency and lower operating costs.

Cash consideration of \$148 million (net of cash acquired of \$2 million) was paid at closing for this acquisition. The acquisition was funded from CSC's existing cash balances. The Company incurred transaction costs of under \$1 million associated with this acquisition. These costs were expensed and are included within selling, general and administrative expenses.

The preliminary allocation of the purchase price to the assets acquired and liabilities assumed is presented below:

(Amounts in millions)	Estimated Fair Value
Accounts receivable and other current assets	\$ 19
Intangible asset - developed technology	9
Intangible assets - customer relationships and trade names	34
Property and equipment and other noncurrent assets	1
Trade payables, accrued expenses and deferred revenue	(12)
Deferred tax liabilities, net	(6)
Total identifiable net assets acquired	45
Goodwill	105
Total consideration	\$ 150

The goodwill recognized in the acquisition is attributable to the intellectual capital, the acquired assembled work force, and expected cost synergies, none of which qualify for recognition as a separate intangible asset; it is associated with the GBS segment and is not tax-deductible.

The Company's purchase price allocations for the Fixnetix and Fruition acquisitions are preliminary and subject to revision as additional information related to the fair value of assets and liabilities becomes available.

COMPUTER SCIENCES CORPORATION
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (unaudited)

The financial results of the fiscal 2016 acquired businesses, from the dates of their acquisition, were not material for inclusion in Company's unaudited Consolidated Condensed Financial Statements. Pro forma financial information for these acquisitions has not been presented as they were neither individually nor in the aggregate material to CSC's consolidated results.

Fiscal 2015 Acquisition

On July 31, 2014, CSC acquired a privately held entity for \$35 million in an all cash transaction. CSC acquired this entity primarily to enhance its cyber security, systems engineering, and software development service offerings in the federal intelligence sector. The purchase price was allocated to assets acquired and liabilities assumed based on preliminary estimates of fair value at the date of acquisition, as follows: \$4 million to current assets, \$9 million to an intangible asset other than goodwill, \$9 million to current liabilities, and \$31 million to goodwill. The intangible asset, which is associated with the Company's customer relationships and government programs, will be amortized over 15 years. The goodwill is associated with the Company's North American Public Sector (NPS) segment and is expected to be tax deductible.

The financial results of the fiscal 2015 acquired business were included in the Company's unaudited Consolidated Condensed Financial Statements from the date of acquisition. Pro forma financial information for this acquisition has not been presented as it was not material to CSC's consolidated results.

Fiscal 2016 Divestiture

On April 27, 2015, the Company divested its wholly-owned subsidiary, Welkin Associates Limited (Welkin), a provider of systems engineering and technical assistance services to the intelligence community and other U.S. Department of Defense clients. The Welkin business was part of the NPS segment. CSC received consideration of \$34 million, and recorded a pre-tax gain on sale of \$22 million, which is included in Other income, net on the unaudited Consolidated Condensed Statement of Operations. Included in the divested net assets of \$10 million was \$7 million of goodwill, and the transaction costs approximated \$2 million. The divestiture did not qualify to be presented as discontinued operations as it did not represent a strategic shift that would have a major effect on CSC's operations and financial results.

Fiscal 2015 Divestiture

On July 31, 2014, CSC completed the sale of a German software business to a strategic investor for cash consideration of \$3 million. This divestiture, which was a part of the GBS segment's healthcare group, resulted in a pre-tax loss of \$22 million. Net assets divested were \$23 million. The historical results of this business have been presented as discontinued operations in the Company's unaudited Consolidated Condensed Statement of Operations.

COMPUTER SCIENCES CORPORATION
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A summary of the results of the discontinued operations is presented below:

	Quarter Ended		Six Months Ended	
	October 2, 2015	October 3, 2014	October 2, 2015	October 3, 2014
Operations				
Revenue	\$ —	\$ 3	\$ —	\$ 10
Income from discontinued operations, before taxes	—	(2)	—	(11)
Tax expense	—	—	—	—
Net income from discontinued operations	\$ —	\$ (2)	\$ —	\$ (11)
Disposal				
Gain (loss) on disposition, before taxes	\$ —	\$ (22)	\$ —	\$ (21)
Tax expense	—	(3)	—	(3)
Gain (loss) on disposition, net of taxes	\$ —	\$ (19)	\$ —	\$ (18)
Income from discontinued operations, net of taxes	\$ —	\$ (21)	\$ —	\$ (29)

Note 5 - Earnings Per Share

Basic earnings per common share (EPS) and diluted EPS are calculated as follows:

(Amounts in millions, except per-share amounts)	Quarter Ended		Six Months Ended	
	October 2, 2015	October 3, 2014	October 2, 2015	October 3, 2014
Net income attributable to CSC common stockholders				
From continuing operations	\$ 167	\$ 172	\$ 327	\$ 326
From discontinued operations	—	(21)	—	(29)
	\$ 167	\$ 151	\$ 327	\$ 297
Common share information:				
Weighted average common shares outstanding for basic EPS	138.295	143.279	138.106	144.346
Dilutive effect of stock options and equity awards	2.237	2.317	2.593	2.809
Shares for diluted earnings per share	140.532	145.596	140.699	147.155
Earnings per share – basic and diluted:				
Basic EPS:				
Continuing operations	\$ 1.21	\$ 1.20	\$ 2.37	\$ 2.26
Discontinued operations	—	(0.15)	—	(0.20)
Total	\$ 1.21	\$ 1.05	\$ 2.37	\$ 2.06
Diluted EPS:				
Continuing operations	\$ 1.19	\$ 1.18	\$ 2.32	\$ 2.22
Discontinued operations	—	(0.14)	—	(0.20)
Total	\$ 1.19	\$ 1.04	\$ 2.32	\$ 2.02

The computation of diluted EPS for the quarter and six months ended October 2, 2015 and October 3, 2014 excluded stock options and restricted stock units (RSUs) whose impact would have been anti-dilutive. The number of shares related to such stock options was 2,094,671 and 1,826,679 for the quarter and six months ended October 2, 2015, respectively, and 1,306,873 and 1,006,720 for the quarter and six months ended October 3, 2014, respectively. The number of shares

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related to such RSUs was 9,637 and 3,837 for the quarter and six months ended October 2, 2015, respectively, and 1,146,523 and 433,709 for the quarter and six months ended October 3, 2014, respectively.

Note 6 - Sale of Receivables

On April 21, 2015, CSC entered into a Master Accounts Receivable Purchase Agreement (the Purchase Agreement) with The Royal Bank of Scotland, PLC (RBS) as Purchaser, along with Mitsubishi UFJ Financial Group Ltd. and Bank of Nova Scotia, each as a Participant, for the continuous non-recourse sale of its eligible NPS segment trade receivables.

Subsequent to the April 21, 2015 agreement, RBS assigned its rights as a purchaser to The Bank of Tokyo-Mitsubishi UFJ, Ltd (BTMU), and the Purchase Agreement was amended to add CSC Government Solutions LLC as a seller, and BTMU, The Bank of Nova Scotia, and Mizuho Bank, Ltd. each as a purchaser. The amended agreement also converted the receivables purchase facility (the Facility) to a committed facility, extended the initial term to a two-year period, and added Computer Sciences Government Services, Inc as a guarantor.

Under the Facility, CSC can sell up to \$450 million of eligible NPS receivables, including billed receivables and certain unbilled receivables arising from "cost plus fixed fee" and "time and materials" contracts. CSC has no retained interests in the transferred receivables and only performs collection and administrative functions for the Purchaser for a servicing fee.

The Company expects to use the proceeds from receivable sales under the Facility for general corporate purposes.

CSC accounts for these receivable transfers as sales under ASC 860 "Transfers and Servicing" and derecognizes the sold receivables from its Consolidated Condensed Balance Sheets. The fair value of the sold receivables approximated their book value due to their short-term nature, and as a result no gain or loss on sale of receivables was recorded. CSC estimated that its servicing fee was at fair value and therefore, no servicing asset or liability related to these services was recognized as of October 2, 2015.

During the second quarter and first six months of fiscal 2016, CSC sold \$619 million and \$1,333 million, respectively, of billed and unbilled receivables. Collections corresponding to these receivables sales were \$609 million and \$1,156 million for the second quarter and first six months, respectively. As of October 2, 2015, there was \$7 million of cash collected but not remitted to purchasers, which was recorded as restricted cash, and included in prepaid expenses and other current assets with the offsetting liability included within accrued expenses and other current liabilities, on the unaudited Consolidated Condensed Balance Sheet. CSC incurred purchase discount and administrative fees of under \$1 million for the second quarter, and \$1 million for the first six months of fiscal 2016. These fees were recorded, net of servicing income, within other (income) expense, net in the unaudited Consolidated Condensed Statement of Operations.

The net impact of the accounts receivable sales was \$9 million and \$176 million for the second quarter and first six months of fiscal 2016, respectively.

The Company also holds \$2 million in restricted cash as recourse for accrued purchase discount and administrative fees. This restricted cash balance, being long-term in nature, is included in Other Assets on the unaudited Consolidated Condensed Balance Sheets.

The net cash proceeds under the Facility, except for the \$2 million escrow and \$7 million of cash collected but not remitted to purchasers, are reported as operating activities in the unaudited Consolidated Condensed Statement of Cash Flows because both cash received from purchasers and cash collections are not subject to significant interest rate risk. The \$2 million escrow is reported as investing activity, and the \$7 million of cash collected but not remitted to purchasers is reported as a financing inflow and a corresponding investing outflow, in the unaudited Consolidated Condensed Statement of Cash Flows.

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Note 7 - Fair Value

Fair value measurements on a recurring basis

The following tables present the Company's assets and liabilities, excluding pension assets that are measured at fair value on a recurring basis as of October 2, 2015 and April 3, 2015:

(Amounts in millions)	As of October 2, 2015			
	Fair Value	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Assets:				
Money market funds and money market deposit accounts	\$ 355	\$ 355	\$ —	\$ —
Time deposits	451	451	—	—
Derivative instruments	17	—	17	—
Total assets	<u>\$ 823</u>	<u>\$ 806</u>	<u>\$ 17</u>	<u>\$ —</u>
Liabilities:				
Derivative instruments	\$ 17	\$ —	\$ 17	\$ —
Contingent consideration for an acquisition	(21)	—	—	(21)
Total liabilities	<u>\$ (4)</u>	<u>\$ —</u>	<u>\$ 17</u>	<u>\$ (21)</u>

(Amounts in millions)	As of April 3, 2015			
	Fair Value	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Assets:				
Money market funds and money market deposit accounts	\$ 344	\$ 344	\$ —	\$ —
Time deposits	411	411	—	—
Derivative instruments	20	—	20	—
Total assets	<u>\$ 775</u>	<u>\$ 755</u>	<u>\$ 20</u>	<u>\$ —</u>
Liabilities:				
Derivative instruments	\$ 5	\$ —	\$ 5	\$ —
Total liabilities	<u>\$ 5</u>	<u>\$ —</u>	<u>\$ 5</u>	<u>\$ —</u>

The Company's money market funds, money market deposit accounts and time deposits are reported in cash and cash equivalents and short-term investments are included in prepaid expenses and other current assets. Available for sale securities are included in other assets. The balance sheet classifications of the Company's derivative instruments are presented in Note 8. Contingent consideration is included in other long-term liabilities. There were no transfers between Level 1 and Level 2 and no transfers into or out of Level 3.

Fair value of the available-for-sale securities is based on quoted market prices which is a Level 1 input. Derivative instruments include foreign currency forward and option contracts, interest rate swap contracts and total return swaps (see Note 8). The fair value of foreign currency forward contracts represents the estimated amount required to settle the contracts using current market exchange rates, and is based on the month-end foreign currency exchange rates and forward points. The fair value of currency options is estimated based on valuation models that use the original strike price, movement and volatility in foreign currency exchange rates, and length of time to expiration as inputs. The fair value of interest rate swaps is estimated based on valuation models that use interest rate yield curves as inputs. Total return swaps are settled on the last day of every fiscal month. The inputs used to estimate the fair value of the Company's derivative instruments are classified as Level 2.

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The significant inputs used in the valuation of the contingent consideration include Fixnetix's revenues during the earn-out measurement period and a multiple of these revenues, in accordance with the purchase agreement. Further, the determination of revenues earned during the measurement period is based on U.S. GAAP as laid out in ASC 605, Revenue Recognition. The sensitivity of the value of the contingent consideration is based on the revenues earned during the measurement period, per U.S. GAAP, and consequently the fair value of the contingent consideration can range between \$0 and \$26 million. As of October 2, 2015, there were no change in the fair value of this liability therefore no gains or losses recognized in earnings related to this liability.

Fair value measurements on a non-recurring basis

Assets and liabilities measured at fair value on a non-recurring basis include goodwill, tangible assets, intangible assets, and other contract related long-lived assets. Such assets are reviewed quarterly for impairment indicators. If a triggering event has occurred, the assets are remeasured when the estimated fair value of the corresponding asset or asset group is less than the carrying value. The fair value measurements, in such instances, are based on significant unobservable inputs (Level 3). There were no significant impairments recorded during the quarters ended October 2, 2015 and October 3, 2014.

Financial instruments not measured at fair value

The carrying amounts of the Company's financial instruments with short-term maturities are deemed to approximate their market values. The carrying amount of the Company's long-term debt, excluding capital leases was \$1,527 million and \$1,550 million, and the estimated fair value was \$1,637 million and \$1,681 million, as of October 2, 2015 and April 3, 2015, respectively. The fair value of long-term debt is estimated based on the current interest rates offered to the Company for instruments with similar terms and remaining maturities and are classified as Level 2.

The Company is subject to counterparty risk in connection with its derivative instruments (see Note 8). With respect to its foreign currency derivatives, as of October 2, 2015 there were four counterparties with concentration of credit risk. Based on gross fair value of these foreign currency derivative instruments, the maximum amount of loss that the Company could incur is less than \$2 million. With respect to its interest rate swaps, there were two counterparties with concentration of risk and the maximum amount of loss that the Company could incur was \$15 million as of October 2, 2015.

The primary financial instruments other than derivatives (see Note 8) that potentially subject the Company to concentrations of credit risk are accounts receivable. The Company's customer base includes Fortune 500 companies, the U.S. federal government and other governmental bodies and other significant, well-known companies operating in North America, Europe and the Pacific Rim. Credit risk with respect to accounts receivable is minimized because of the nature and diversification of the Company's customer base. Furthermore, the Company continuously reviews its accounts receivable and records provisions for doubtful accounts as needed.

The Company's credit risk is also affected by customers in bankruptcy proceedings; however, because most of these proceedings involve business reorganizations rather than liquidations and the nature of the Company's services are often considered essential to the operational continuity of these customers, the Company is generally able to avoid or mitigate significant adverse financial impact in these cases. As of October 2, 2015, the Company had \$17 million of accounts receivable, \$11 million of related allowance for doubtful accounts, \$1 million of other assets, and \$4 million of accounts payable with customers involved in bankruptcy proceedings.

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Note 8 - Derivative Instruments

The following table presents the fair values of derivative instruments included on the unaudited Consolidated Condensed Balance Sheets as of October 2, 2015 and April 3, 2015:

(Amounts in millions)	Derivative Assets			Derivative Liabilities		
	Balance sheet line item	As of		Balance sheet line item	As of	
		October 2, 2015	April 3, 2015		October 2, 2015	April 3, 2015
<i>Derivatives designated for hedge accounting:</i>						
Interest rate swaps	Other assets	\$ 15	\$ 18	Other long-term liabilities	\$ —	\$ —
Foreign Currency forward contracts	Prepaid expense and other current assets	—	1	Accrued expenses and other current liabilities	14	3
Total fair value of derivatives designated for hedge accounting		\$ 15	\$ 19	\$ 14		\$ 3
<i>Derivatives not designated for hedge accounting:</i>						
Foreign Currency forward contracts	Prepaid expense and other current assets	\$ 2	\$ 1	Accrued expenses and other current liabilities	\$ 3	\$ 2
Total fair value of derivatives not designated for hedge accounting		\$ 2	\$ 1	\$ 3		\$ 2

Derivative instruments designated as hedges

Fair value hedges

Pursuant to its interest rate and risk management strategy, during the second quarter of fiscal 2014, the Company entered into multiple interest rate swap transactions to hedge the fair value of \$275 million of the Company's 4.45% term notes, due 2022, which effectively converted the debt into floating interest rate debt. For accounting purposes, these interest rate swap transactions were designated as fair value hedges and qualified for the short-cut method of hedge accounting, as defined under ASC Topic 815, "Derivatives and Hedging." Accordingly, changes in the fair values of the interest rate swaps are reported in earnings and fully offset changes in the fair value of the underlying debt (see Note 10); therefore, no net gain or loss is recognized in the unaudited Consolidated Condensed Statements of Operations.

During the second quarter of fiscal 2016, the Company terminated one of its interest rates swaps with a fair value of \$4.5 million and derecognized the related derivative asset. The interest rate swap had a notional value of \$75 million. The \$4.5 million hedge gain will be amortized into interest income over the remaining life of the debt.

The following table presents the pre-tax gains (losses) related to the fair value hedges and the related hedged items for the quarters ended October 2, 2015 and October 3, 2014:

(Amounts in millions)	Derivative Instrument				Hedged Item			
	Statement of Operations line item	Gain (Loss) for the Quarter Ended		Balance Sheet line item	Gain (Loss) for the Quarter Ended			
		October 2, 2015	October 3, 2014		October 2, 2015	October 3, 2014		
Interest rate swaps	Other Income (Expense)	\$ 7	\$ (1)	Debt	\$ (7)	\$ 1		

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The following table presents the pre-tax gains (losses) related to the fair value hedges and the related hedged items for the six months ended October 2, 2015 and October 3, 2014:

(Amounts in millions)	Derivative Instrument		Balance Sheet line item	Hedged Item		
	Statement of Operations line item	Gain (Loss) for the Six Months Ended		Gain (Loss) for the Six Months Ended		
		October 2, 2015		October 3, 2014	October 2, 2015	October 3, 2014
Interest rate swaps	Other Income (Expense)	\$ 1	\$ 4	Debt	\$ (1) \$ (4)	

Cash flow hedges

The Company has designated certain foreign currency forward contracts as cash flow hedges, to reduce risks related to certain Indian Rupee denominated intercompany obligations and forecasted transactions. The notional amount of foreign currency forward contracts designated as cash flow hedges as of October 2, 2015 and April 3, 2015 was \$605 million and \$383 million, respectively, and the related forecasted transactions extend through March 2018.

For the quarters ended October 2, 2015 and October 3, 2014, the Company performed an assessment at the inception of the cash flow hedge transactions that determined all critical terms of the hedging instruments and hedged items match; therefore there is no ineffectiveness to be recorded and all changes in the hedging instruments' fair value are recorded in accumulated other comprehensive income (OCI) and subsequently reclassified into earnings in the period during which the hedged transactions are recognized in earnings. The Company performs an assessment of critical terms on an on-going basis throughout the hedging period. During the quarters ended October 2, 2015 and October 3, 2014, the Company had no cash flow hedges for which it was probable that the hedged transaction would not occur. As of October 2, 2015, approximately \$5 million of the existing amount of losses related to the cash flow hedge reported in accumulated OCI are expected to be reclassified into earnings within the next 12 months.

The following table presents the pre-tax gains (losses) associated with the cash flow hedges, recognized in accumulated OCI, for the quarters ended October 2, 2015 and October 3, 2014:

(Amounts in millions)	Gain (Loss) recognized in Accumulated OCI (effective portion) for the Quarter Ended		Gain (Loss) reclassified into cost of services from Accumulated OCI (effective portion) for the Quarter Ended		Gain (loss) recognized in Other Income (Expense) (ineffective portion) for the Quarter Ended	
	October 2, 2015	October 3, 2014	October 2, 2015	October 3, 2014	October 2, 2015	October 3, 2014
	Foreign currency forward contracts	\$ (14)	\$ (5)	\$ —	\$ —	\$ —

The following table presents the pre-tax gains (losses) associated with the cash flow hedges, recognized in accumulated OCI, for the six months ended October 2, 2015 and October 3, 2014:

(Amounts in millions)	Gain (Loss) recognized in Accumulated OCI (effective portion) for the Six Months Ended		Gain (Loss) reclassified into cost of services from Accumulated OCI (effective portion) for the Six Months Ended		Gain (loss) recognized in Other Income (Expense) (ineffective portion) for the Six Months Ended	
	October 2, 2015	October 3, 2014	October 2, 2015	October 3, 2014	October 2, 2015	October 3, 2014
	Foreign currency forward contracts	\$ (12)	\$ (6)	\$ —	\$ —	\$ —

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Derivatives not designated for hedge accounting

Total return swaps

Beginning in the first quarter of fiscal 2015, the Company entered into total return swaps derivative contracts (TRS) to manage exposure to market volatility of the notional investments underlying the Company's deferred compensation obligations. For accounting purposes, these TRS are not designated as hedges, as defined under ASC 815, "Derivatives and Hedging," and all changes in their fair value and changes in the associated deferred compensation liabilities are recorded in cost of services and selling, general and administrative expenses. The TRS are entered into monthly and are settled on the last day of every fiscal month.

Foreign currency derivatives

The Company manages exposure to fluctuations in foreign currencies by using short-term foreign currency forward and option contracts to economically hedge certain foreign currency denominated assets and liabilities, including intercompany accounts and loans. For accounting purposes, these foreign currency option and forward contracts are not designated as hedges, as defined under ASC 815, "Derivatives and Hedging," and all changes in their fair value are reported in current period earnings within the other income (expense) line of the unaudited Consolidated Condensed Statements of Operations. The notional amount of the foreign currency forward contracts outstanding as of October 2, 2015 and April 3, 2015 was \$773 million and \$700 million, respectively.

The following table presents the pretax amounts affecting income related to derivatives not designated for hedge accounting for the quarters ended October 2, 2015 and October 3, 2014:

(Amounts in millions)	Statement of Operations line item	Quarter Ended		Six Months Ended	
		October 2, 2015	October 3, 2014	October 2, 2015	October 3, 2014
Total return swaps	Cost of services and Selling, general & administrative expenses	\$ (3)	\$ —	\$ (3)	\$ 4
Foreign currency forwards and options	Other Income (Expense)	(2)	(5)	1	(4)
Total		\$ (5)	\$ (5)	\$ (2)	\$ —

Other risks

As discussed further in Note 7, the Company is exposed to the risk of losses in the event of non-performance by the counterparties to its derivative contracts. To mitigate counterparty credit risk, the Company regularly reviews its credit exposure and the creditworthiness of the counterparties. The Company also enters into enforceable master netting arrangements with some of its counterparties. However for financial reporting purposes it is the Company's policy to not offset derivative assets and liabilities despite the existence of enforceable master netting arrangements with some of its counterparties. As of October 2, 2015 and April 3, 2015, there were \$0 million and approximately \$1 million, respectively, that the Company elected to not offset. The Company's derivative contracts do not require it to hold or post collateral.

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Note 9 - Goodwill and Other Intangible Assets

Goodwill

The following table summarizes the changes in the carrying amount of goodwill by segment for the six months ended October 2, 2015:

(Amounts in millions)	GBS	GIS	NPS	Total
Goodwill, gross	\$ 1,340	\$ 2,260	\$ 833	\$ 4,433
Accumulated impairment losses	(701)	(2,061)	—	(2,762)
Balance as of April 3, 2015, net	639	199	833	1,671
Additions	105	80	—	185
Deductions	—	—	(7)	(7)
Foreign currency translation	(7)	—	—	(7)
Goodwill, gross	1,438	2,340	826	4,604
Accumulated impairment losses	(701)	(2,061)	—	(2,762)
Balance as of October 2, 2015, net	\$ 737	\$ 279	\$ 826	\$ 1,842

The fiscal 2016 additions to goodwill are due to the second quarter GBS and GIS acquisitions described in Note 4. The fiscal 2016 deduction to goodwill is due to the first quarter NPS divestiture described in Note 4. The foreign currency translation amount reflects the impact of currency movements on non-U.S. dollar-denominated goodwill balances.

The Company tests goodwill for impairment on an annual basis, as of the first day of the second fiscal quarter, and between annual tests if an event occurs, or circumstances change, that would more likely than not reduce the fair value of a reporting unit below its carrying amount. For the Company's annual goodwill impairment assessment as of July 4, 2015, the Company first assesses qualitative factors to determine whether events or circumstances existed that would lead the Company to conclude that it is more likely than not that the fair value of any of its reporting units was below their carrying amounts. If the Company determines that it is not more likely than not, then proceeding to step one of the two-step goodwill impairment test is not necessary. The Company chose to bypass the initial qualitative assessment and proceeded directly to the first step of the impairment test for all reporting units. Based on the results of the first step of the impairment test, the Company concluded that the fair value of each reporting unit significantly exceeded its carrying value and therefore the second step of the goodwill impairment test was not required.

At the end of the second quarter of fiscal 2016, the Company assessed whether there were events or changes in circumstances that would more likely than not reduce the fair value of any of its reporting units below its carrying amount and require goodwill to be tested for impairment. The Company determined that there have been no such indicators and therefore, it was unnecessary to perform an interim goodwill impairment test as of October 2, 2015.

Other Intangible Assets

A summary of amortizable intangible assets is as follows:

(Amounts in millions)	As of October 2, 2015		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Outsourcing contract costs	\$ 803	\$ 465	\$ 338
Software	2,388	1,614	774
Customer and other intangible assets	548	344	204
Total intangible assets	\$ 3,739	\$ 2,423	\$ 1,316

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(Amounts in millions)	As of April 3, 2015		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Outsourcing contract costs	\$ 802	\$ 476	\$ 326
Software	2,393	1,642	751
Customer and other intangible assets	476	327	149
Total intangible assets	<u>\$ 3,671</u>	<u>\$ 2,445</u>	<u>\$ 1,226</u>

Amortization related to intangible assets was \$78 million and \$107 million for the quarters ended October 2, 2015 and October 3, 2014, respectively, including reductions of revenue for amortization of outsourcing contract cost premiums of \$3 million and \$8 million and for amortization of contract related intangible assets of \$3 million and \$2 million, respectively. Amortization expense related to capitalized software, included in the amounts above, was \$45 million and \$56 million for the quarters ended October 2, 2015 and October 3, 2014, respectively.

Amortization related to intangible assets was \$156 million and \$222 million for the six months ended October 2, 2015 and October 3, 2014, respectively, including reductions of revenue for amortization of outsourcing contract cost premiums of \$6 million and \$17 million and for amortization of contract related intangible assets of \$5 million and \$5 million, respectively. Amortization expense related to capitalized software, included in the amounts above, was \$90 million and \$110 million for the six months ended October 2, 2015 and October 3, 2014, respectively.

Estimated amortization expense related to intangible assets as of October 2, 2015, for the remainder of fiscal 2016 is \$179 million, and for each of the fiscal years 2017, 2018, 2019 and 2020, is as follows: \$293 million, \$240 million, \$207 million and \$161 million, respectively.

During the first quarter of fiscal 2016, CSC sold certain intangible assets to a third party for total cash consideration of \$31 million. As a result, CSC recorded a gain on sale of \$31 million, respectively, as a reduction of cost of sales in its GIS segment. There were no sales of intangible assets to a third party in the second quarter of fiscal 2016.

During the second quarter and first six months of fiscal 2015, CSC sold certain intangible assets to a third party for total consideration of \$19 million and \$43 million of which cash consideration was received of \$10 million and \$14 million, respectively. As a result, CSC recorded a gain on sale of \$19 million and \$43 million, respectively, as a reduction of cost of sales in its GIS segment. As of October 2, 2015, CSC had \$14 million of outstanding receivables related to these sales, which will be paid in quarterly installments.

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Note 10 - Debt

The following is a summary of the Company's debt as of October 2, 2015 and April 3, 2015:

(Amounts in millions)	October 2, 2015	April 3, 2015
4.45% term notes, due September 2022	\$ 453	\$ 451
6.50% term notes, due March 2018	917	917
2.50% term notes, due September 2015	—	350
Loan payable, due January 2016	379	371
Payable - Credit Facility, various ⁽¹⁾	150	—
Mandatorily redeemable preferred stock outstanding, due March 2023	61	61
Loan payable of consolidated subsidiary, due March 2018	68	68
Euro-denominated commercial paper	218	—
Capitalized lease liabilities	294	353
Borrowings for assets acquired under long-term financing	57	95
Other borrowings	13	3
Total debt	2,610	2,669
Less: short term debt and current maturities of long term debt	894	904
Total long-term debt	<u>\$ 1,716</u>	<u>\$ 1,765</u>

⁽¹⁾ Borrowings under the \$2.5 billion credit facility have varying maturities; however they can be rolled over until the maturity date of the master agreement which was January 2020 as of October 2, 2015. Borrowings under the credit facility are classified as short-term debt if the Company intends to repay within twelve months and as long-term debt otherwise.

The increase in the balance of the 4.45% term notes primarily reflects the year-to-date change in fair value of the interest rate swaps (see Note 8). The increase in the Note Payable, due January 2016, reflects the movement in the exchange rate between the U.S. dollar and the British pound sterling.

During the second quarter of fiscal 2016, CSC and two of its subsidiaries, CSC Capital Funding Limited (the Issuer) and CSC Computer Sciences S.a.r.l., established a European commercial paper program (the ECP Program) under which the Issuer may issue short-term commercial paper notes (the Notes) up to a maximum aggregate amount outstanding at any time of €500 million or its equivalent in alternative currencies. The maturities of the Notes may vary but may not exceed 364 days from the date of issue. The Notes are unconditionally guaranteed by CSC and rank at least equal with all of the Company's other unsecured and unsubordinated indebtedness. The Company's \$2.5 billion committed revolving credit facility is available, subject to certain conditions, to repay the Notes, if necessary. The Notes may be issued at a discount or bear fixed or floating rate interest or a coupon calculated by reference to an index or formula. During the second quarter of fiscal 2016, the Company borrowed \$299 million and repaid \$84 million under the ECP Program. As of October 2, 2015, there was \$218 million of commercial paper outstanding with a weighted average interest rate of approximately 0.15%.

During the first quarter of fiscal 2015, CSC Asset Funding I LLC, which is a special purpose subsidiary of CSC Finance Co. LLC (CSC Finco) which is a wholly owned subsidiary of the Company, entered into a master loan and security agreement with a financial institution, which provides for a \$250 million committed Lease Credit Facility (Leasing Facility) to finance CSC Finco's capital expenditures for IT equipment and associated software in support of IT services provided to the Company's customers. The drawdown availability period for the Leasing Facility is eighteen months, and once drawn, converts into individual term notes of variable terms up to sixty months therefrom, depending on the nature of the underlying equipment being financed. As of October 2, 2015, there was \$10 million of borrowings outstanding against the Leasing Facility, included in Other borrowings above.

During the second quarter of fiscal 2016, CSC drew down \$1.3 billion on its \$2.5 billion Credit Facility and repaid \$1.15 billion of that amount. As of October 2, 2015, there was \$150 million outstanding against the \$2.5 billion credit facility with an interest rate of 1.2%. This was subsequently repaid in the third quarter of fiscal 2016. The Company also repaid its \$350 million 2.5% term note which matured during the second quarter of fiscal 2016.

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The Company was in compliance with all financial covenants associated with its borrowings as of October 2, 2015 and April 3, 2015.

Note 11 - Pension and Other Post-Retirement Benefit Plans

The Company and its subsidiaries sponsor a number of pension and other post-retirement benefit plans. The net periodic pension benefit for U.S. and non-U.S. pension plans included the following components:

(Amounts in millions)	Quarter Ended			
	U.S. Plans		Non-U.S. Plans	
	October 2, 2015	October 3, 2014	October 2, 2015	October 3, 2014
Service cost	\$ 1	\$ 1	\$ 7	\$ 6
Interest cost	32	38	23	30
Expected return on assets	(54)	(60)	(45)	(47)
Amortization of transition obligation	—	—	—	1
Amortization of prior service credit	—	—	(2)	(4)
Contractual termination benefits	—	—	—	(7)
Net periodic pension benefit	<u>\$ (21)</u>	<u>\$ (21)</u>	<u>\$ (17)</u>	<u>\$ (21)</u>

(Amounts in millions)	Six Months Ended			
	U.S. Plans		Non-U.S. Plans	
	October 2, 2015	October 3, 2014	October 2, 2015	October 3, 2014
Service cost	\$ 2	\$ 2	\$ 13	\$ 12
Interest cost	64	76	46	61
Expected return on assets	(108)	(121)	(90)	(94)
Amortization of transition obligation	—	—	—	1
Amortization of prior service credit	—	—	(5)	(6)
Recognition of actuarial losses	—	1	—	—
Contractual termination benefits	—	—	—	(7)
Settlement loss	—	2	—	—
Net periodic pension benefit	<u>\$ (42)</u>	<u>\$ (40)</u>	<u>\$ (36)</u>	<u>\$ (33)</u>

The weighted-averages of the assumptions used to determine net periodic pension benefit for the second quarter and the first six months of fiscal 2016 and fiscal 2015, are as follows.

	U.S. Plans		Non-U.S. Plans	
	October 2, 2015	October 3, 2014	October 2, 2015	October 3, 2014
Discount or settlement rates	3.9%	4.6%	3.0%	4.3%
Expected long-term rates of return on assets	7.9%	7.6%	6.3%	6.5%
Rates of increase in compensation levels	4.4%	4.4%	2.8%	3.4%

During the first quarter of fiscal 2015, a curtailment loss of \$2 million was recorded. This curtailment charge was associated with one of the U.S. pension plans and resulted from amortization of the prior service cost. The plan was remeasured on April 30, 2014 using a discount rate of 4.14%, a decrease from 4.23% at the prior fiscal year end, which resulted in an increase to the fair value of actuarial PBO of \$1 million, increasing the plan's unfunded obligations.

During the second quarter of fiscal 2015, CSC completed the sale of a German software business, which had a pension plan. The plan was remeasured as of the date of the sale, resulting in settlement costs totaling \$3 million, which has been reported within discontinued operations.

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The Company contributed \$6 million and \$19 million to the defined benefit pension plans during the second quarter and first six months ended October 2, 2015, respectively, which are predominately related to non-U.S. pension plans. The Company expects to contribute an additional \$42 million during the remainder of fiscal 2016.

The components of net periodic (benefit) expense for the other post-retirement benefit plans, reported on a global basis, included the following:

(Amounts in millions)	Quarter Ended	
	October 2, 2015	October 3, 2014
Service cost	\$ —	\$ 1
Interest cost	1	2
Expected return on assets	(1)	(2)
Amortization of prior service credit	(7)	—
Net periodic post-retirement (benefit) expense	<u>\$ (7)</u>	<u>\$ 1</u>

(Amounts in millions)	Six Months Ended	
	October 2, 2015	October 3, 2014
Service cost	\$ —	\$ 2
Interest cost	2	4
Expected return on assets	(3)	(3)
Amortization of prior service credit	(13)	(1)
Net provision for post-retirement (benefit) expense	<u>\$ (14)</u>	<u>\$ 2</u>

The weighted-averages of the assumptions used to determine net periodic post-retirement (benefit) expense for the second quarter and the first six months of fiscal 2016 and 2015, are as follows.

	Six Months Ended	
	October 2, 2015	October 3, 2014
Discount or settlement rates	3.7%	4.3%
Expected long-term rates of return on assets	7.7%	7.5%

The Company contributed \$0 million and \$1 million to the other post-retirement benefit plans during the second quarter and first six months ended October 2, 2015, respectively. The Company expects to contribute an additional \$1 million during the remainder of fiscal 2016.

Note 12 - Income Taxes

The Company's effective tax rate from continuing operations (ETR) was 1.7% and 16.6% for the second quarter and first six months of fiscal year 2016, respectively, as compared to 27.8% and 26.8%, respectively, during the same periods of the prior fiscal year. The primary drivers of the ETR for the second quarter and first six months of fiscal year 2016 were the release of the reserve for an uncertain tax position following the closure of an audit in a non-U.S. jurisdiction, which decreased the ETR by 29.9% and 13.0%, respectively, and the global mix of income. The primary drivers of the ETR for the second quarter and first six months of fiscal year 2015 were the global mix of income and changes in valuation allowances in certain non-US jurisdictions. For the tax impact of discontinued operations, see Note 4 to the unaudited Consolidated Condensed Financial Statements.

During the second quarter and first six months of fiscal year 2016, the Company effectively settled uncertain tax positions with non-U.S. tax authorities resulting in a reduction in reserves for uncertain tax positions of \$98 million, excluding interest and penalties.

The Internal Revenue Service (IRS) is examining the Company's federal income tax returns for fiscal years 2008 through 2013. The IRS examined several issues for the fiscal years 2008 through 2010 that resulted in audit adjustments to the

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Company's federal income tax returns. The Company does not agree with certain proposed adjustments and has filed an Appeals brief and is in negotiations with the IRS. Although the final outcome of such negotiations is uncertain, management believes that the resolution will have a material effect on the Company's uncertain tax positions. The significant items subject to examination primarily relate to foreign exchange losses and other US international tax issues. The IRS has not proposed any adjustments for the fiscal years 2011 through 2013. In addition, the Company may settle certain other tax examinations, have lapses in statutes limitations, or voluntarily settle income tax positions in negotiated settlements for different amounts than the Company has accrued as uncertain tax positions. The Company may need to accrue and ultimately pay additional amounts for tax positions that previously met a more likely than not standard if such positions are not upheld. Conversely, the Company could settle positions with the tax authorities for amounts lower than those that have been accrued or extinguish a position through payment. The Company believes the outcomes which are reasonably possible within the next twelve months may result in a reduction in liability for uncertain tax positions of up to \$4 million, excluding interest, penalties, and tax carryforwards.

Note 13 - Stock Incentive Plans

For the quarters and six months ended October 2, 2015 and October 3, 2014, the Company recognized stock-based compensation expense (benefit) as follows:

(Amounts in millions)	Quarter Ended		Six Months Ended	
	October 2, 2015	October 3, 2014	October 2, 2015	October 3, 2014
Cost of services	\$ 8	\$ 3	\$ (3)	\$ 9
Selling, general and administrative	11	13	10	26
Total	\$ 19	\$ 16	\$ 7	\$ 35
Total, net of tax	\$ 12	\$ 10	\$ 4	\$ 23

Stock-based compensation for the second quarter of fiscal 2016 increased \$3 million, when compared to the second quarter of fiscal 2015, due to higher forfeitures in the second quarter of fiscal 2015 that did not recur in fiscal 2016. For the six month period, stock based compensation reflected the benefit recognized in the first quarter of fiscal 2016 of approximately \$15 million related to higher than normal employee terminations, forfeitures as of the annual vesting date and changes in the assumed forfeiture.

The Company uses the Black-Scholes-Merton model in determining the fair value of stock options granted. The weighted average grant-date fair values of stock options granted during the six months ended October 2, 2015 and October 3, 2014 were \$20.03 and \$18.34 per share, respectively. In calculating the compensation expense for its stock incentive plans, the Company used the following weighted-average assumptions:

	Six Months Ended	
	October 2, 2015	October 3, 2014
Risk-free interest rate	1.80%	2.07%
Expected volatility	32%	33%
Expected term (in years)	6.20	6.21
Dividend yield	1.39%	1.50%

For the six months ended October 2, 2015 and October 3, 2014, the tax benefit realized from stock option exercises and RSU settlements was \$33 million and \$30 million, respectively, and the excess tax benefit was \$16 million and \$12 million, respectively.

Employee Incentives

The Company currently has two active stock incentive plans that authorize the issuance of stock options, restricted stock and other stock-based incentives to employees upon terms approved by the Compensation Committee of the Board of Directors. The Company issues authorized but previously unissued shares upon the exercise of stock options, the granting of restricted stock and the settlement of RSUs. As of October 2, 2015, 13,516,470 shares of CSC common stock

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were available for the grant of future stock options, equity awards or other stock-based incentives to employees under such stock incentive plans.

Stock Options

The Company's standard vesting schedule for stock options is one-third of the total stock option award on each of the first three anniversaries of the grant date. Stock options are generally exercisable for a term of ten years from the grant date. Information concerning stock options granted under the Company's stock incentive plans is as follows:

	Number of Option Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value (millions)
Outstanding as of April 3, 2015	5,556,309	\$ 46.08	5.93	\$ 107
Granted	1,158,825	68.45		
Exercised	(1,113,627)	42.47		27
Canceled/Forfeited	(134,054)	57.25		
Expired	(25,664)	41.53		
Outstanding as of October 2, 2015	5,441,789	51.35	6.69	67
Vested and expected to vest in the future as of October 2, 2015	5,253,006	50.85	6.59	67
Exercisable as of October 2, 2015	3,220,600	\$ 44.08	5.12	\$ 59

The total intrinsic value of options exercised during the six months ended October 2, 2015 and October 3, 2014 was \$27 million and \$53 million, respectively. The cash received from stock options exercised during the quarters ended October 2, 2015 and October 3, 2014 was \$45 million and \$125 million, respectively.

As of October 2, 2015, there was \$33 million of total unrecognized compensation expense related to unvested stock options, net of expected forfeitures. The cost is expected to be recognized over a weighted-average period of 2.16 years.

Restricted Stock Units

Information concerning RSUs granted under the Company's stock incentive plans is as follows:

	Number of Shares	Weighted Average Fair Value per share
Outstanding as of April 3, 2015	2,579,675	\$ 48.70
Granted	1,005,622	53.12
Released/Issued	(913,584)	34.02
Canceled/Forfeited	(478,453)	53.88
Outstanding as of October 2, 2015	2,193,260	\$ 55.70

As of October 2, 2015, there was \$71 million of total unrecognized compensation expense related to unvested RSUs, net of expected forfeitures. The unrecognized compensation expense is expected to be recognized over a weighted-average period of 2.05 years.

Non-employee Director Incentives

The Company has two stock incentive plans that authorize the issuance of stock options, restricted stock and other stock-based incentives to nonemployee directors upon terms approved by the Company's Board of Directors. As of October 2, 2015, 150,400 shares of CSC common stock remained available for grant to non-employee directors as RSUs or other stock-based incentives.

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Generally, RSU awards to non-employee directors vest in full as of the next annual meeting of the Company's stockholders following the date they are granted and are issued at a price of \$0. Information concerning RSUs granted to non-employee directors is as follows:

	Number of Shares	Weighted Average Fair Value per share
Outstanding as of April 3, 2015	143,986	\$ 43.88
Granted	24,900	66.54
Released/Issued	(26,200)	55.89
Canceled/Forfeited	—	—
Outstanding as of October 2, 2015	<u>142,686</u>	<u>\$ 45.63</u>

Note 14 - Stockholder's Equity

Stock Repurchase Program

In May 2014, the Company's Board of Directors approved a share repurchase program authorizing up to \$1.5 billion in share repurchases of the Company's outstanding common stock, after completion of the prior \$1 billion share repurchase program.

The Company repurchases shares through a combination of open market purchases and Accelerated Share Repurchase (ASR) Arrangements in compliance with SEC rules, market conditions and applicable federal and state legal requirements. The timing, volume and nature of share repurchases are at the discretion of management and may be suspended or discontinued at any time. No end date has been established for the current repurchase program. The shares repurchased are retired immediately and included in the category of authorized but unissued shares. For accounting purposes, the excess of purchase price over par value of the common shares is allocated between additional paid-in capital and retained earnings.

The Company did not repurchase shares of its common stock through open market purchases during the second quarter of fiscal 2016. During the first six months of fiscal 2016, the Company repurchased 1,780,224 shares of common stock through open market purchases for an aggregate consideration of \$118 million, at a weighted average price of \$66.36 per share.

During the second quarter and first six months of fiscal 2015, 4,646,630 and 7,055,050 shares of common stock were repurchased, respectively, through open market purchases for an aggregate consideration of \$278 million and \$428 million, respectively, at a weighted average price of \$59.77 and \$60.63 per share, respectively. The Company paid \$6 million during the first quarter of fiscal 2015 for shares repurchased during the fourth quarter of fiscal 2014 that had not yet settled in cash by March 28, 2014.

During the fourth quarter of fiscal 2015, the Company entered into an ASR arrangement (Fourth quarter ASR arrangement) with a financial institution and as part of that arrangement the Company received an initial delivery of 2,864,712 shares. During the second quarter of fiscal 2016, the Company received an additional 162,908 shares. As of October 2, 2015, the Company has repurchased 3,027,620 shares of common stock under the Fourth quarter ASR arrangement for an aggregate consideration of \$202 million at a weighted average price of \$66.75 per share. The final settlement under the Fourth Quarter ASR arrangement is expected to occur during the third quarter of fiscal 2016.

During the second quarter of fiscal 2015, the Company entered into an ASR arrangement (Second quarter ASR arrangement) with a financial institution by advancing cash proceeds of \$125 million. At inception, the Second quarter ASR arrangement was initially settled by delivery of 1,258,651 shares to the Company. The actual number of shares required to be delivered to the Company was based on the volume weighted-average price of shares during a specified pricing period. Subsequent to the end of the second quarter, after completion of the pricing period the financial institution returned \$50 million to the Company and delivered 31,830 additional shares. As a result, the Company repurchased under the Second quarter ASR arrangement 1,290,481 shares for a net consideration of \$75 million, at an average price of \$58.12 per share.

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Accumulated Other Comprehensive (Loss) Income

The following tables show the activity in the components of other comprehensive loss, including the respective tax effects, and reclassification adjustments for the quarters and six months ended October 2, 2015 and October 3, 2014, respectively:

For the quarter ended October 2, 2015 (Amounts in millions)	Before Tax Income (Loss)	Tax Impact Increase (Decrease)	Net of Tax Income (Loss)
Foreign currency translation adjustments	\$ (110)	\$ —	\$ (110)
Loss on foreign currency forward contracts	(14)	—	(14)
Unrealized loss on available-for-sale securities	(6)	—	(6)
Pension and other post-retirement benefit plans:			
Amortization of prior service credit	(9)	3	(6)
Total pension and other post-retirement benefit plans	(9)	3	(6)
Total other comprehensive (loss) income	\$ (139)	\$ 3	\$ (136)

For the quarter ended October 3, 2014 (Amounts in millions)	Before Tax Income (Loss)	Tax Impact Increase (Decrease)	Net of Tax Income (Loss)
Foreign currency translation adjustments	\$ (133)	\$ —	\$ (133)
Loss on foreign currency forward contracts	(5)	—	(5)
Pension and other post-retirement benefit plans:			
Amortization of transition obligation	1	—	1
Amortization of prior service credit	(4)	—	(4)
Total pension and other post-retirement benefit plans	(3)	—	(3)
Total other comprehensive loss	\$ (141)	\$ —	\$ (141)

For the six months ended October 2, 2015 (Amounts in millions)	Before Tax Income (Loss)	Tax Impact Increase (Decrease)	Net of Tax Income (Loss)
Foreign currency translation adjustments	\$ (57)	\$ —	\$ (57)
Loss on foreign currency forward contracts	(12)	—	(12)
Pension and other post-retirement benefit plans:			
Amortization of prior service credit	(18)	6	(12)
Foreign currency exchange rate changes	(1)	—	(1)
Total pension and other post-retirement benefit plans	(19)	6	(13)
Total other comprehensive (loss) income	\$ (88)	\$ 6	\$ (82)

For the six months ended October 3, 2014 (Amounts in millions)	Before Tax Income (Loss)	Tax Impact Increase (Decrease)	Net of Tax Income (Loss)
Foreign currency translation adjustments	\$ (98)	\$ (1)	\$ (99)
Loss on foreign currency forward contracts	(6)	—	(6)
Pension and other post-retirement benefit plans:			
Amortization of transition obligation	1	—	1
Amortization of prior service credit	(5)	—	(5)
Total pension and other post-retirement benefit plans	(4)	—	(4)
Total other comprehensive loss	\$ (108)	\$ (1)	\$ (109)

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The following tables show the changes in accumulated other comprehensive (loss) income, for the six months ended October 2, 2015 and October 3, 2014, respectively:

(Amounts in millions)	Foreign Currency Translation Adjustments	Cash Flow Hedge	Pension and Other Post-retirement Benefit Plans	Accumulated Other Comprehensive Income (Loss)
Balance at April 3, 2015	\$ (316)	\$ (2)	\$ 339	\$ 21
Current-period other comprehensive loss, net of taxes	(57)	(12)	(1)	(70)
Amounts reclassified from accumulated other comprehensive loss, net of taxes	—	—	(12)	(12)
Balance at October 2, 2015	<u>\$ (373)</u>	<u>\$ (14)</u>	<u>\$ 326</u>	<u>\$ (61)</u>

(Amounts in millions)	Foreign Currency Translation Adjustments	Cash Flow Hedge	Pension and Other Post-retirement Benefit Plans	Accumulated Other Comprehensive Income (Loss)
Balance at March 28, 2014	\$ (6)	\$ —	\$ 285	\$ 279
Current-period other comprehensive loss, net of taxes	(99)	(6)	—	(105)
Amounts reclassified from accumulated other comprehensive loss, net of taxes	—	—	7	7
Balance at October 3, 2014	<u>\$ (105)</u>	<u>\$ (6)</u>	<u>\$ 292</u>	<u>\$ 181</u>

Note 15 - Cash Flows

Cash payments for interest on indebtedness and cash payments for taxes on income are as follows:

(Amounts in millions)	Six Months Ended	
	October 2, 2015	October 3, 2014
Interest	\$ 67	\$ 74
Taxes on income, net of refunds	38	96

Non-cash investing activities include the following:

(Amounts in millions)	Six Months Ended	
	October 2, 2015	October 3, 2014
Capital expenditures in accounts payable and accrued expenses	\$ 58	\$ 43
Capital expenditures through capital lease obligations	24	4
Assets acquired under long-term financing	—	70

Non-cash financing activities for the quarters ended October 2, 2015 and October 3, 2014 included common share dividends declared but not yet paid of \$32 million and \$32 million, respectively.

Note 16 - Segment Information

The Company's reportable segments are as follows:

- Global Business Services (GBS) - GBS provides end-to-end applications services; consulting; big data services; and industry-aligned software and solutions to enterprise clients around the world. GBS manages and industrializes clients' application ecosystem through its Applications Services offering. The Company has formed a number of strategic partnerships with leading technology companies such as HCL Technologies and SAP to deliver world-class solutions to its customers. These partnerships will enable clients to modernize and move enterprise workloads to next

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generation cloud infrastructure, while leveraging the benefits of mobility, social networking and big data. The GBS consulting business assists clients in achieving greater value from current IT assets as well as aiding in the direction of future IT investments. GBS software and solutions include vertically-aligned solutions and process-based intellectual property. Clients include major global enterprises in the insurance, banking, healthcare, life sciences, manufacturing and a host of diversified industries. Key competitive differentiators for GBS include its global scale, depth of industry expertise, strong partnerships with leading technology companies, vendor and product independence and end-to-end capabilities. Changing business issues such as globalization, fast-developing economies, government regulation, and growing concerns around risk, security, and compliance drive demand for these GBS offerings.

- **Global Infrastructure Services (GIS)** – GIS provides managed and virtual desktop solutions, unified communications and collaboration services, data center management, cloud services, cyber security, compute and managed storage solutions to commercial clients globally. GIS also delivers next-generation hybrid Cloud infrastructure solutions to clients. The company integrates public cloud offerings from Amazon Web Services, IBM, Microsoft, and VMware, with its industry-leading private cloud solution, BizCloud. The CSC Agility Platform enables enterprises to manage, monitor, and automate applications over heterogeneous and hybrid clouds. The GIS portfolio of standard offerings delivers measurable results while reducing business risk and operational costs for clients. Collaboration with key alliance partners helps CSC to determine the best technology road map for clients and opportunities to differentiate solutions, expand market reach, augment capabilities, and jointly deliver impactful solutions.
- **North American Public Sector (NPS)** – NPS delivers IT, mission, and operations-related services to the Department of Defense and civil agencies of the U.S. federal government, as well as state and local government agencies. Commensurate with the Company's strategy of leading the next generation of IT services, NPS is leveraging our commercial best practices and next-generation offerings to bring more cost-effective IT solutions to government agencies which are seeking efficiency through innovation. This approach is designed to yield lower implementation and operational costs as well as a higher standard of delivery excellence. Demand for NPS offerings are driven by evolving government priorities such as: 1) migration to next-generation IT solutions, which includes hybrid cloud infrastructure, application modernization and orchestration, 2) mission intelligence driven by big data solutions, 3) health IT and informatics, 4) cyber security and 5) mobility.

The following table summarizes operating results by reportable segment:

(Amounts in millions)	GBS	GIS	NPS	Corporate	Total
Quarter ended October 2, 2015					
Revenues	\$ 891	\$ 854	\$ 967	\$ —	\$ 2,712
Operating income	101	64	160	(17)	308
Depreciation and amortization	30	128	35	10	203
Quarter ended October 3, 2014					
Revenues	\$ 1,003	\$ 1,036	\$ 1,041	\$ —	\$ 3,080
Operating income (loss)	130	68	160	(9)	349
Depreciation and amortization	40	172	36	4	252

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(Amounts in millions)	GBS	GIS	NPS	Corporate	Total
Six months ended October 2, 2015					
Revenues	\$ 1,810	\$ 1,739	\$ 1,924	\$ —	\$ 5,473
Operating income (loss)	198	117	296	(5)	606
Depreciation and amortization	60	263	68	19	410
Six months ended October 3, 2014					
Revenues	\$ 2,091	\$ 2,167	\$ 2,059	\$ —	\$ 6,317
Operating income (loss)	238	139	311	(35)	653
Depreciation and amortization	79	366	71	8	524

Operating income provides useful information to the Company's management for assessment of the Company's performance and results of operations, and is one of the financial measures utilized to determine executive compensation.

A reconciliation of consolidated operating income to income from continuing operations before taxes is as follows:

(Amounts in millions)	Quarter Ended		Six Months Ended	
	October 2, 2015	October 3, 2014	October 2, 2015	October 3, 2014
Operating income	\$ 308	\$ 349	\$ 606	\$ 653
Corporate G&A	(61)	(67)	(115)	(123)
Pension & OPEB actuarial & settlement losses	—	—	—	(1)
Separation and merger costs	(46)	—	(64)	—
Interest expense	(35)	(36)	(70)	(75)
Interest income	7	5	18	10
Other income (expense), net	3	(6)	29	(5)
Income from continuing operations before taxes	\$ 176	\$ 245	\$ 404	\$ 459

Note 17 - Restructuring Costs

The Company recorded \$6 million and \$(7) million of net restructuring costs for the quarters ended October 2, 2015 and October 3, 2014, respectively. For the six months ended October 2, 2015 and October 3, 2014, the Company recorded \$6 million and \$3 million, respectively. The costs recorded during the quarter and six months ended October 2, 2015 were in connection with actions under the Fiscal 2016 Plan and Fiscal 2015 Plan, as described below. The costs recorded during the quarter and six months ended October 3, 2014 were in connection with actions under the Fiscal 2015 Plan, Fiscal 2013 Plan, and Fiscal 2012 Plan, as described below.

Fiscal 2016 Plan

In September 2015, the Company initiated restructuring actions (the Fiscal 2016 Plan) across its business segments. The objective of the Fiscal 2016 Plan was to optimize utilization of facilities.

The composition of the restructuring liability for the Fiscal 2016 Plan as of October 2, 2015 is as follows:

(Amounts in millions)	Restructuring liability as of April 3, 2015	Costs expensed in fiscal 2016	Cash paid	Other	Restructuring liability as of October 2, 2015
Facilities costs	\$ —	\$ 21	\$ —	\$ —	\$ 21

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Fiscal 2015 Plan

In June 2014, the Company initiated restructuring actions (the Fiscal 2015 Plan) across its business segments. The objectives of the Fiscal 2015 Plan were to further reduce headcount in order to align resources to support business needs.

The composition of the restructuring liability for the Fiscal 2015 Plan as of October 2, 2015 is as follows:

(Amounts in millions)	Restructuring liability as of April 3, 2015	Costs reversed in fiscal 2016	Cash paid ⁽¹⁾	Other ⁽²⁾	Restructuring liability as of October 2, 2015
Workforce reductions	\$ 230	\$ (15)	\$ (56)	\$ 7	\$ 166
Facilities costs	5	—	(2)	1	4
	<u>\$ 235</u>	<u>\$ (15)</u>	<u>\$ (58)</u>	<u>\$ 8</u>	<u>\$ 170</u>

⁽¹⁾ Includes \$51 million related to fourth quarter fiscal 2015 special restructuring

⁽²⁾ Foreign currency translation adjustments

Fiscal 2013 Plan

In September 2012, the Company initiated restructuring actions (the Fiscal 2013 Plan) across its business segments. The objectives of the Fiscal 2013 Plan were to (i) further increase the use of lower cost off-shore resources, (ii) reduce headcount in order to align resources to support business needs, including the assessment of management span of control and layers, and (iii) optimize utilization of facilities. Actions under the Fiscal 2013 Plan commenced in September 2012 and continued through the end of fiscal 2014. There was an overall expense reduction in fiscal 2015 due to cancellation of a portion of a restructuring plan in a region, as well as revisions on plans that were executed at lower than expected costs. There were no restructuring costs for the Fiscal 2013 Plan accrued during the second quarter and first six months of fiscal 2016.

The composition of the restructuring liability for the Fiscal 2013 Plan as of October 2, 2015 is as follows:

(Amounts in millions)	Restructuring liability as of April 3, 2015	Costs expensed in fiscal 2016	Cash paid	Other ⁽¹⁾	Restructuring liability as of October 2, 2015
Workforce reductions	\$ 3	\$ —	\$ (2)	\$ (1)	\$ —
Facilities costs	6	—	(2)	—	4
	<u>\$ 9</u>	<u>\$ —</u>	<u>\$ (4)</u>	<u>\$ (1)</u>	<u>\$ 4</u>

⁽¹⁾ Foreign currency translation adjustments

Fiscal 2012 Plan

The restructuring liability for the Fiscal 2012 Plan as of October 2, 2015 and April 3, 2015 was \$0 million and \$1 million, respectively. There were no restructuring costs for the Fiscal 2012 Plan accrued during the second quarter and first six months of fiscal 2016.

Of the total \$195 million restructuring liability as of October 2, 2015, \$189 million is a short-term liability and is included in accrued expenses and other current liabilities, and \$6 million is included in other long-term liabilities.

The composition of restructuring expenses for the second quarter and first six months of fiscal 2016 and fiscal 2015 by segment is as follows:

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(Amounts in millions)	Quarter Ended		Six Months Ended	
	October 2, 2015	October 3, 2014	October 2, 2015	October 3, 2014
GBS	\$ 4	\$ (2)	\$ 4	\$ 2
GIS	1	(5)	1	1
NPS	1	—	1	—
Corporate	—	—	—	—
Total	\$ 6	\$ (7)	\$ 6	\$ 3

The composition of restructuring expenses for the second quarter and first six months of fiscal 2016 and fiscal 2015 by financial statement line item is as follows:

(Amounts in millions)	Quarter Ended		Six Months Ended	
	October 2, 2015	October 3, 2014	October 2, 2015	October 3, 2014
Cost of services	\$ (1)	\$ (7)	\$ (1)	\$ 1
Selling, general and administrative	7	—	7	2

Note 18 - Commitments and Contingencies

Commitments

In the normal course of business, the Company may provide certain clients, principally governmental entities, with financial performance guarantees, which are generally backed by letters of credit or surety bonds. In general, the Company would only be liable for the amounts of these guarantees in the event that nonperformance by the Company permits termination of the related contract by the Company's client. As of October 2, 2015, the Company had \$28 million of outstanding surety bonds and \$83 million of outstanding letters of credit relating to these performance guarantees. The Company believes it is in compliance with its performance obligations under all service contracts for which there is a financial performance guarantee, and the ultimate liability, if any, incurred in connection with these guarantees will not have a material adverse effect on its consolidated results of operations or financial position.

The Company also uses stand-by letters of credit, in lieu of cash, to support various risk management insurance policies. These letters of credit represent a contingent liability and the Company would only be liable if it defaults on its payment obligations towards these policies. As of October 2, 2015, the Company had \$37 million of outstanding stand-by letters of credit. Generally, such guarantees have a one-year term and are renewed annually.

The following table summarizes the expiration of the Company's financial guarantees and stand-by letters of credit outstanding as of October 2, 2015:

(Amounts in millions)	Fiscal 2016	Fiscal 2017	Fiscal 2018 and thereafter	Total
Surety bonds	\$ 9	\$ 19	\$ —	\$ 28
Letters of credit	12	39	32	83
Stand-by letters of credit	22	11	4	37
Total	\$ 43	\$ 69	\$ 36	\$ 148

The Company generally indemnifies licensees of its proprietary software products against claims brought by third parties alleging infringement of their intellectual property rights (including rights in patents (with or without geographic limitations), copyright, trademarks and trade secrets). CSC's indemnification of its licensees relates to costs arising from court awards, negotiated settlements and the related legal and internal costs of those licensees. The Company maintains the right, at its own costs, to modify or replace software in order to eliminate any infringement. Historically, CSC has not incurred any significant costs related to licensee software indemnification.

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Contingencies

SEC Investigation

As previously disclosed, on January 28, 2011, the Company was notified by the Division of Enforcement of the SEC that it had commenced a formal civil investigation. That investigation covered a range of matters as previously disclosed by the Company, including certain of the Company's prior disclosures and accounting determinations. During the first quarter of fiscal 2016, the Company's previously agreed-upon settlement with the SEC was formally approved by the SEC and became effective on June 5, 2015. For additional information, see Note 3.

Unless otherwise noted, the Company is unable to develop a reasonable estimate of a possible loss or range of losses associated with these following contingent matters at this time.

Maryland Medicaid Enterprise Restructuring Project

After competitive bidding, on March 1, 2012, CSC was awarded the Maryland Medicaid Enterprise Restructuring Project ("MERP") contract by the State of Maryland (the "State") to modernize the Medicaid Management Information System, a database of Medicaid recipients and providers used to manage Medicaid reimbursement claims. The MERP contract is predominately fixed-price. Since the date the MERP contract was awarded, U.S. federal government-mandated Medicaid IT standards have been in considerable flux. The State directed CSC to include additional functionality in the system design to incorporate new federal mandates and guidance promulgated after the base scope of the contract was finalized. Further, the State declined to approve contract modifications to compensate CSC for this additional work.

As a result of the State's refusal to amend the MERP contract and equitably adjust the compensation to be paid to CSC and, in accordance with prescribed State statutes and regulations, CSC filed a certified contract claim in September 2013, which after various procedural developments is now pending before the Maryland Board of Contracts Appeals (the "State Board").

On August 22, 2014, the State unilaterally suspended performance under the contract for 90 days and repeatedly extended the suspension until providing a Notice of Default termination in October 2015.

As the result of the suspension and other actions and inactions by the State in performance of its obligations under the Contract, in October 2014, CSC filed additional contract claims under various legal theories, such that currently the total amount claimed by CSC is approximately \$80 million.

Although between April 2015 and September 2015, CSC and the State were in settlement negotiations to restructure the program and resolve all issues, including CSC's contract claims, on September 14, 2015, the State orally advised us that the Governor elected to abandon the contract settlement and restructuring discussions and directed the State to terminate the contract. On October 14, 2015, the State provided us with a Notice of Default Termination. When a contract is terminated for default, Maryland procurement regulations allow the State to procure substitute performance, with the contractor being liable for any excess reprocurement costs. Any State claim against us arising from a default termination for reprocurement costs would be appealable by us to the State Board, as is the default termination itself. The State has not asserted a claim for reprocurement costs and, were it to do so, we believe such a claim would be meritless and unsupported by the facts.

We intend to challenge the legal basis of the State's termination for default and seek to convert it to a convenience termination through litigation at the State Board. As we proceed with the litigation, we expect to consolidate all of our claims against the State with any State claim arising from the default termination. Management has evaluated the recoverability of assets related to this contract in light of these developments and concluded that no adjustments to our financial statements are required.

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Vincent Forcier v. Computer Sciences Corporation and The City of New York

On October 27, 2014, the United States District Court for the Southern District of New York unsealed a qui tam complaint that had been filed under seal over two years prior in a case entitled United States of America and State of New York ex rel. Vincent Forcier v. Computer Sciences Corporation and The City of New York, Case No. 1:12-cv-01750-DAB. The original complaint was brought by Vincent Forcier, a former employee of Computer Sciences Corporation, as a private party qui tam relator on behalf of the United States and the State of New York. The relator's amended complaint, dated November 15, 2012, which remained under seal until October 27, 2014, alleged civil violations of the federal False Claims Act, 31 U.S.C. § 3729 et seq., and New York State's False Claims Act, NY. Finance L, Art. 13, § 187 et seq., arising out of certain coding methods employed with respect to claims submitted by the Company to Medicaid for reimbursements as fiscal agent on behalf of its client, New York City's Early Intervention Program (EIP). EIP is a federal program promulgated by the Individuals with Disabilities in Education Act, 20 U.S.C. § 1401 et seq. (IDEA), that provides early intervention services for infants and toddlers who have, or are likely to have, developmental delays.

Prior to the unsealing of the complaint on October 27, 2014, the United States Attorney's Office for the Southern District of New York investigated the allegations in the qui tam relator's complaint. That investigation included requests for information to the Company concerning the Company's databases, software programs, and related documents regarding EIP claims submitted by the Company on behalf of New York City. The Company produced documents and information that the government requested and cooperated fully with the government's investigation regarding this matter at all times. In addition, the Company conducted its own investigation of the matter, and openly shared its findings and worked constructively with all parties to resolve the matter. At the conclusion of its investigation, the Company concluded that it had not violated the law in any respect.

On October 27, 2014, the United States Attorney's Office for the Southern District of New York and the Attorney General for the State of New York filed complaints-in-intervention on behalf of the United States and the State of New York, respectively. The complaints allege that, from 2008 to 2012, the Company and New York City used the automatic defaulting capabilities of a computerized billing system that the Company developed for New York City's EIP in order to orchestrate a billing fraud against Medicaid. The New York Attorney General's complaint also alleges that the Company did not comply with Medicaid requirements regarding submission of claims to private insurance and failed to reimburse Medicaid in certain instances where insurance had paid a portion of the claim. The lawsuits seek damages under the False Claims Act and common law theories in an amount equal to three times the sum of an unspecified amount of damages the United States and New York State allegedly sustained, plus civil penalties together with attorneys' fees and costs. On January 26, 2015, the Company and the City of New York filed motions to dismiss Forcier's amended complaint and the federal and state complaints-in-intervention. The Company believes that the allegations are without merit and intends to vigorously defend itself.

CSC v. Eric Pulier

On May 12, 2015, the Company and its wholly owned subsidiary, ServiceMesh Inc. (SMI), filed a civil complaint in the Court of Chancery of the State of Delaware against Eric Pulier (C.A. No. 11011-VCP). The Company acquired SMI on November 15, 2013. The purchase consideration included a cash payment at closing, as well as additional contingent consideration based on a contractually defined multiple of SMI's revenues during a specified period ending January 31, 2014 (the Earnout Payment), all as set forth in the purchase agreement governing the acquisition. Before the acquisition, Mr. Pulier was the chief executive officer, chairman and one of the largest equity holders of SMI. Following the acquisition, Mr. Pulier became employed by the Company, at which time he executed a retention agreement pursuant to which he received a grant of restricted stock units of the Company and agreed to be bound by the Company's rules and policies, including the Company's Code of Business Conduct.

In March 2015, the Company became aware of, and began its own investigation into the circumstances surrounding, the arrests of two former employees of the Commonwealth Bank of Australia Ltd. (CBA) in connection with payments allegedly received by them, either directly or indirectly, from Mr. Pulier. SMI and CBA had entered into several contracts with each other, including contracts that contributed to the Earnout Payment. In April 2015, the Company was contacted by the Australian Federal Police regarding the alleged payments. The Company is cooperating with and assisting the Australian and U.S. authorities in their investigations of the conduct of various individuals involved in SMI transactions during the earnout period.

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The Company's and SMI's original complaint against Mr. Pulier asserted claims for (i) breach of the purchase agreement, (ii) breach of the implied covenant of good faith and fair dealing in the purchase agreement, (iii) fraud, (iv) fraud by omission, (v) breach of his retention agreement, (vi) breach of the implied covenant of good faith and fair dealing in his retention agreement and (vii) breach of fiduciary duty.

Mr. Pulier filed a motion to dismiss the complaint on May 28, 2015, and an opening brief in support of such motion on July 7, 2015.

The Company and SMI filed a First Amended Complaint on August 6, 2015, adding as defendants TechAdvisors, LLC (TechAdvisors), an entity controlled by Mr. Pulier, and Shareholder Representative Services LLC (SRS). In addition to the claims asserted against Mr. Pulier, the First Amended Complaint asserted claims against TechAdvisors for (i) breach of the purchase agreement, (ii) breach of the implied covenant of good faith and fair dealing in the purchase agreement and (iii) fraud. The amended complaint added claims against SRS in its capacity as attorney-in-fact and representative of Mr. Pulier and TechAdvisors for breach of their indemnification obligations in the purchase agreement.

Mr. Pulier, SRS, and TechAdvisors filed motions to dismiss the First Amended Complaint on August 20, August 31, and September 8, respectively.

On October 7, 2015, the Company filed its Second Amended Complaint against Mr. Pulier, TechAdvisors, and SRS. In addition to the claims asserted against Mr. Pulier, TechAdvisors, and SRS in the First Amended Complaint, the Second Amended Complaint asserts claims against SRS in its capacity as attorney-in-fact and representative of the former equityholders of ServiceMesh who are not current employees of CSC for breach of their indemnification obligations in the purchase agreement. The Second Amended Complaint seeks recovery of payments made to Mr. Pulier and TechAdvisors under the purchase agreement, the value of Mr. Pulier's vested restricted stock units of the Company granted to him under his retention agreement and the full amount of the Earnout Payment, which was approximately \$98 million.

Defendants filed motions to dismiss the Second Amended Complaint on November 6, 2015. The parties have negotiated a scheduling order for the remaining briefing, whereby the Company's response brief is due December 7, 2015 and the Defendants' reply brief is due December 22, 2015. .

Strauch et al. Fair Labor Standards Act Class Action

On July 1, 2014, plaintiffs filed *Strauch and Colby v. Computer Sciences Corporation* in the U.S. District Court for the District of Connecticut, a putative nationwide class action alleging that CSC violated provisions of the Fair Labor Standards Act (FLSA) with respect to system administrators who worked for CSC at any time from June 1, 2011 to the present. Plaintiffs claim that CSC improperly classified its system administrators as exempt from the FLSA and that CSC therefore owes them overtime wages and associated relief available under the FLSA and various statutes, including the Connecticut Minimum Wage Act, the California Unfair Competition Law, California Labor Code, California Wage Order No. 4-2001, and the California Private Attorneys General Act. The relief sought by plaintiffs includes unpaid overtime compensation, liquidated damages, pre- and post-judgment interest, damages in the amount of twice the unpaid overtime wages due, and civil penalties.

CSC's position is that its system administrators have the job duties, responsibilities, and salaries of exempt employees and are properly classified as exempt from overtime compensation requirements. CSC's Motion to Transfer Venue was denied in February 2015.

On June 9, 2015, the Court entered an order granting the plaintiffs' motion for conditional certification of the class of system administrators. The *Strauch* putative class includes more than 4,000 system administrators. Courts typically undertake a two-stage review in determining whether a suit may proceed as a class action under the FLSA. In its order, the Court noted that, as a first step, the Court examines pleadings and affidavits, and if it finds that proposed class members are similarly situated, the class is conditionally certified. Potential class members are then notified and given an opportunity to opt-in to the action. The second step of the class certification analysis occurs upon completion of discovery. At that point, the Court will examine all evidence then in the record to determine whether there is a sufficient basis to conclude that the proposed class members are similarly situated. If it is determined that they are, the case will proceed to

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trial; if it is determined they are not, the class is decertified and only the individual claims of the purported class representatives proceed.

The Company's position in this litigation continues to be that the employees identified as belonging to the conditional class were paid in accordance with the FLSA.

Plaintiffs filed an amended complaint to add additional plaintiffs and allege violations under Missouri and North Carolina wage and hour laws. We do not believe these additional claims differ materially from those in the original complaint. The next stage in the litigation will be a motion for class certification, which is currently due from plaintiffs in January 2016.

NetCracker Technology Corp.

In August 2013, CSC received a Civil Investigative Demand from the U.S. Department of Justice's Civil Division seeking documents and information regarding CSC's contract with the Defense Information Systems Agency ("DISA") and its subcontract with NetCracker Technology Corp. ("NetCracker"). Since that time, CSC has cooperated with a government investigation into issues on this subcontract. On March 26, 2015, CSC received a letter from the Civil Division claiming that CSC violated the False Claims Act and breached its contract with DISA based upon actions taken by NetCracker in performing its work on the subcontract. CSC has taken the position that it has not engaged in any conduct that would violate the False Claims Act. In October 2015, CSC and the government reached a \$1.35 million agreement to settle this matter based upon the government's claim for breach of contract as a result of the actions of NetCracker, CSC's directed subcontractor, which violated the terms of CSC's contract with DISA. NetCracker agreed to pay the government \$11.4 million to settle this matter.

In addition to the matters noted above, the Company is currently party to a number of disputes which involve or may involve litigation. The Company accrues a liability when management believes that it is both probable that a liability has been incurred and the amount of loss can be reasonably estimated under ASC 450. The Company believes it has appropriately recognized liabilities for any such matters. Regarding other matters that may involve actual or threatened disputes or litigation, the Company, in accordance with the applicable reporting requirements, provides disclosure of such matters for which the likelihood of material loss is at least reasonably possible. The Company assessed reasonably possible losses for all other such pending legal or other proceedings in the aggregate and concluded that the range of potential loss is not material.

The Company also considered the requirements regarding estimates used in the disclosure of contingencies under ASC Subtopic 275-10, *Risks and Uncertainties*. Based on that guidance, the Company determined that supplemental accrual and disclosure was not required for a change in estimate that involves contingencies because the Company determined that it was not reasonably possible that a change in estimate will occur in the near term. The Company reviews contingencies during each interim period and adjusts its accruals to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and other information and events pertaining to a particular matter.

Note 19- Subsequent Events

On November 4, 2015, the Company's Board of Directors approved the separation of the Company's U.S. public sector business under a new name, CSRA Inc., as well as the declaration of a special cash distribution of \$10.50 in the aggregate per CSC share (the "Special Dividend"). The separation will occur through a one-for-one pro rata distribution of all CSRA shares to CSC stockholders. The distribution of shares of common stock of CSRA is expected to occur on November 27, 2015, after the close of trading on the New York Stock Exchange (NYSE), and the payment of the Special Dividend is expected to occur on November 30, 2015.

In the distribution, CSC stockholders will receive one share of CSRA common stock for each share of CSC common stock held on November 18, 2015, the record date for the distribution. Following the distribution of CSRA shares, CSC and CSRA each will pay concurrent special cash dividends which, in the aggregate will total \$10.50 per share. Of that \$10.50 per share dividend, \$2.25 will be paid by CSC and \$8.25 will be paid by CSRA. Payment of each portion of the Special Dividend will be made to holders of CSC common stock on the record date who receive shares of CSRA common stock in the distribution.

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Additionally, the combination with SRA remains on track for completion on November 30, 2015 subject to satisfaction of the conditions to the merger. In connection with the completion of the merger, the common stock of SRA will be automatically converted into the right to receive \$390 million in cash and CSRA common stock constituting approximately 15.32 percent of CSRA's outstanding common stock. No portion of the Special Dividend will be payable on CSRA shares issued in the SRA merger.

**PART I, ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
Second Quarter of Fiscal 2016 versus
Second Quarter of Fiscal 2015**

All statements and assumptions in this quarterly report on Form 10-Q and in the documents attached or incorporated by reference that do not directly and exclusively relate to historical facts constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). These statements represent current expectations and beliefs of CSC, and no assurance can be given that the results described in such statements will be achieved.

Forward-looking information contained in these statements include, among other things, statements with respect to the Company's financial condition, results of operations, cash flows, business strategies, operating efficiencies or synergies, competitive positions, growth opportunities, plans and objectives of management, management's assessment of estimates related to profitability of its long-term contracts and estimates related to impairment of contract-specific assets, and other matters. Such statements are subject to numerous assumptions, risks, uncertainties and other factors, many of which are outside of the Company's control, which could cause actual results to differ materially from the results described in such statements. These forward looking statements should be read in conjunction with the Company's Annual Report on Form 10-K, for the year ended April 3, 2015. The reader should also specifically consider the various risks discussed in the Risk Factors section included elsewhere herein.

Forward-looking statements in this quarterly report on Form 10-Q speak only as of the date hereof, and forward-looking statements in documents attached or incorporated by reference speak only as of the date of those documents. The Company does not undertake any obligation to update or release any revisions to any forward-looking statement or to report any events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as required by law.

General

The following discussion and analysis provides information management believes relevant to an assessment and understanding of the consolidated results of operations and financial condition of Computer Sciences Corporation (CSC or the Company). The discussion should be read in conjunction with the unaudited Consolidated Condensed Financial Statements and notes thereto included herein and the Company's Annual Report on Form 10-K for the fiscal year ended April 3, 2015. The following discusses the Company's financial condition and results of operations as of and for the quarter and six months ended October 2, 2015, and the comparable periods of the prior fiscal year.

Reportable Segments

CSC is a global provider of information technology (IT) and professional services and solutions. The Company's mission is to enable superior returns on its clients' technology investments through best-in-class industry solutions, domain expertise and global scale.

The Company's reportable segments are as follows:

- *Global Business Services (GBS)* – GBS provides end-to-end applications services, consulting, big data, and industry-aligned software and solutions to enterprise clients around the world. GBS manages and industrializes clients' application ecosystem through its Applications Services offering. The Company has formed a number of strategic partnerships with leading technology companies such as HCL Technologies and SAP to deliver world-class solutions to its customers. These partnerships will enable clients to modernize and move enterprise workloads to next generation cloud infrastructure, while leveraging the benefits of mobility, social networking and big data. The GBS consulting business assists clients in achieving greater value from current IT assets as well as aiding in the direction of future IT investments. GBS software and solutions include vertically-aligned solutions and process-based intellectual property. Clients include major global enterprises in the insurance, banking, healthcare, life sciences, manufacturing and a host of diversified industries. Key competitive differentiators for GBS include its global scale, depth of industry expertise, strong partnerships with leading technology companies, vendor and product independence and end-to-end capabilities. Changing business issues such as globalization, fast-developing

economies, government regulation, and growing concerns around risk, security, and compliance drive demand for these GBS offerings.

- *Global Infrastructure Services (GIS)* – GIS provides managed and virtual desktop solutions, unified communications and collaboration services, data center management, cloud services, cyber security, compute and managed storage solutions to commercial clients globally. GIS also delivers next-generation hybrid Cloud infrastructure solutions to clients. The company integrates public cloud offerings from Amazon Web Services, IBM, Microsoft, and VMware, with its industry-leading private cloud solution, BizCloud. The CSC Agility Platform enables enterprises to manage, monitor, and automate applications over heterogeneous and hybrid clouds. The GIS portfolio of standard offerings delivers measurable results while reducing business risk and operational costs for clients. Collaboration with key alliance partners helps CSC to determine the best technology road map for clients and opportunities to differentiate solutions, expand market reach, augment capabilities, and jointly deliver impactful solutions.
- *North American Public Sector (NPS)* – NPS delivers IT, mission, and operations-related services to the Department of Defense and civil agencies of the U.S. federal government, as well as state and local government agencies. Commensurate with the Company's strategy of leading the next generation of IT services, NPS is leveraging our commercial best practices and next-generation offerings to bring more cost-effective IT solutions to government agencies which are seeking efficiency through innovation. This approach is designed to yield lower implementation and operational costs as well as a higher standard of delivery excellence. Demand for NPS offerings are driven by evolving government priorities such as: 1) migration to next-generation IT solutions, which includes hybrid cloud infrastructure, application modernization and orchestration, 2) mission intelligence driven by big data solutions, 3) health IT and informatics, 4) cyber security and 5) mobility.

Overview

The key operating results for the second quarter and first six months of fiscal 2016 include:

- Revenues for the second quarter of fiscal 2016 decreased \$368 million, or 11.9%, to \$2,712 million, and on a constant currency basis⁽¹⁾, decreased \$223 million, to or 7.2%, to \$2,857 million as compared to the second quarter of fiscal 2015. For the first six months of fiscal 2016, revenues decreased \$844 million, or 13.4%, to \$5,473 million, and on a constant currency basis, revenues decreased \$539 million, or 8.5%, as compared to the first six months of fiscal 2015. The revenue decrease was partly due to the full impact of the extra week in fiscal 2015 of approximately \$117 million.
- Operating income⁽²⁾ for the second quarter of fiscal 2016 was \$308 million as compared to \$349 million for the second quarter of fiscal 2015. Operating income margin was 11.4% and 11.3% for the second quarter of fiscal 2016 and fiscal 2015, respectively. For the first six months of fiscal 2016 operating income decreased to \$606 million as compared to operating income of \$653 million for the first six months of fiscal 2015. The operating income margin increased to 11.1% from 10.3% for the comparable period of fiscal 2015.
- Earnings before interest and taxes⁽³⁾ (EBIT) for the second quarter of fiscal 2016 was \$204 million compared to \$276 million for the second quarter of fiscal 2015. EBIT margin declined to 7.5% from last year's second quarter margin of 9.0%. EBIT decreased to \$456 million as compared to EBIT of \$524 million for the first six months of fiscal 2015. EBIT margin was 8.3% compared to 8.3% in the prior year.

⁽¹⁾ Selected references are made on a "constant currency basis" so that certain financial results can be viewed without the impact of fluctuations in foreign currency rates, thereby providing comparisons of operating performance from period to period. Financial results on a "constant currency basis" are non-U.S. Generally Accepted Accounting Principles (GAAP) measures calculated by translating current period activity into U.S. dollars using the comparable prior period's currency conversion rates. This approach is used for all results where the functional currency is not the U.S. dollar.

⁽²⁾ Operating income is a non-GAAP measure used by management to assess performance at the segments and on a consolidated basis. The Company's definition of such measure may differ from other companies. CSC defines operating income as revenue less costs of services, depreciation and amortization expense, restructuring costs and segment selling, general and administrative (SG&A) expense. Operating Income, as defined by CSC, excludes corporate G&A, actuarial and settlement charges related to CSC's pension and other post-employment benefit (OPEB) plans, and separation and merger costs. Operating margin is defined as operating income as a percentage of revenue. Management compensates for the limitations of this non-GAAP measure by also reviewing income from continuing operations before taxes. A reconciliation of consolidated operating income to income from continuing operations before taxes is as follows:

(Amounts in millions)	Quarter Ended		Six Months Ended	
	October 2, 2015	October 3, 2014	October 2, 2015	October 3, 2014
Operating income	\$ 308	\$ 349	\$ 606	\$ 653
Corporate G&A	(61)	(67)	(115)	(123)
Pension & OPEB actuarial & settlement losses	—	—	—	(1)
Separation and merger costs	(46)	—	(64)	—
Interest expense	(35)	(36)	(70)	(75)
Interest income	7	5	18	10
Other income, net	3	(6)	29	(5)
Income from continuing operations before taxes	\$ 176	\$ 245	\$ 404	\$ 459

⁽³⁾ EBIT is a non-GAAP measure that provides useful information to investors regarding the Company's results of operations as it provides another measure of the Company's profitability, and is considered an important measure by financial analysts covering CSC and its peers. The Company's definition of such measure may differ from that used by other companies. CSC defines EBIT as income from continuing operations less interest expense, interest income and income tax expense. EBIT margin is defined as EBIT as a percentage of revenue. A reconciliation of EBIT to income from continuing operations is as follows:

(Amounts in millions)	Quarter Ended		Six Months Ended	
	October 2, 2015	October 3, 2014	October 2, 2015	October 3, 2014
Earnings before interest and taxes	\$ 204	\$ 276	\$ 456	\$ 524
Interest expense	(35)	(36)	(70)	(75)
Interest income	7	5	18	10
Income tax expense	(3)	(68)	(67)	(123)
Income from continuing operations	\$ 173	\$ 177	\$ 337	\$ 336

- Income from continuing operations before taxes was \$176 million for the second quarter of fiscal 2016, as compared to \$245 million in the second quarter of fiscal 2015. Income from continuing operations before taxes was \$404 million, compared to \$459 million in the first six months of fiscal 2015, a decrease of \$55 million.⁽⁴⁾
- There were no discontinued operations in fiscal 2016. Loss from discontinued operations, net of taxes, was \$21 million and \$29 million for the second quarter and first six months of fiscal 2015.
- Net income attributable to CSC common stockholders was \$167 million for the second quarter of fiscal 2016, as compared to \$151 million in the same period of fiscal 2015. Net income attributable to CSC common stockholders was \$327 million for the first six months of fiscal 2016, compared with \$297 million in the same period of fiscal 2015.
- Diluted earnings per share (EPS) for the second quarter of fiscal 2016 was \$1.19 as compared to \$1.04 for the same period in the prior fiscal year. For the first six months of fiscal 2016, diluted EPS was \$2.32, an increase of \$0.30 as compared to \$2.02 for the same period in the prior fiscal year.
- The Company announced total contract awards⁽⁵⁾ of \$2.9 billion for the second quarter of fiscal 2016, including \$0.7 billion for GBS, \$0.7 billion for GIS and \$1.5 billion for NPS. Total contract awards for the second quarter of fiscal 2015 were \$3.0 billion, including \$1.2 billion for GBS, \$0.6 billion for GIS and \$1.1 billion for NPS.
- Days Sales Outstanding (DSO)⁽⁶⁾ was 69 days at October 2, 2015, an improvement from 77 days at the end of the second quarter of the prior fiscal year. The improvement in DSO was primarily due to the NPS segment trade receivables facility, without which, DSO would have been 75 days.

⁽⁴⁾ Non-GAAP results are financial measures calculated by excluding certain significant items, which management believes are not indicative of the Company's operating performance. A reconciliation of non-GAAP results to reported results is as follows:

(Amounts in millions, except per-share amounts)	Quarter ended October 2, 2015					
	As reported	Separation, merger, & other transaction costs	SEC settlement-related items	Real estate restructuring charge	Tax benefit	Non-GAAP results
Selling, general and administrative (excludes restructuring costs)	\$ 286	\$ (2)	\$ (2)	\$ —	\$ —	\$ 282
Income (loss) from continuing operations, before taxes	\$ 176	\$ (48)	\$ (2)	\$ (21)	\$ —	\$ 247
Income tax expense (benefit)	3	(6)	—	(2)	(53)	64
Income (loss) from continuing operations	\$ 173	\$ (42)	\$ (2)	\$ (19)	\$ 53	\$ 183
Net income (loss)	\$ 173	\$ (42)	\$ (2)	\$ (19)	\$ 53	\$ 183
Less: Net income attributable to noncontrolling interest, net of tax	6	—	—	—	—	6
Net income (loss) attributable to CSC common stockholders	\$ 167	\$ (42)	\$ (2)	\$ (19)	\$ 53	\$ 177
Effective Tax Rate	1.7%					26.0%
Basic EPS from continuing operations	\$ 1.21	\$ (0.30)	\$ (0.01)	\$ (0.14)	\$ 0.38	\$ 1.28
Diluted EPS from continuing operations	\$ 1.19	\$ (0.30)	\$ (0.01)	\$ (0.14)	\$ 0.38	\$ 1.26
Weighted average common shares outstanding for:						
Basic EPS	138.295	138.295	138.295	138.295	138.295	138.295
Diluted EPS	140.532	140.532	140.532	140.532	140.532	140.532

Six months ended October 2, 2015

(Amounts in millions, except per-share amounts)	As reported	Separation, merger, & other transaction costs	Gain on divestiture	SEC settlement-related items	Real estate restructuring charge	Tax benefit	Non-GAAP results
Selling, general and administrative (excludes restructuring costs)	\$ 570	\$ (2)	\$ —	\$ 1	\$ —	\$ —	\$ 569
Income (loss) from continuing operations, before taxes	\$ 404	\$ (66)	\$ 22	\$ 1	\$ (21)	\$ —	\$ 468
Income tax expense (benefit)	67	(13)	8	1	(2)	(53)	126
Income (loss) from continuing operations	\$ 337	\$ (53)	\$ 14	\$ —	\$ (19)	\$ 53	\$ 342
Net income (loss)	\$ 337	\$ (53)	\$ 14	\$ —	\$ (19)	\$ 53	\$ 342
Less: Net income attributable to noncontrolling interest, net of tax	10	—	—	—	—	—	10
Net income (loss) attributable to CSC common stockholders	\$ 327	\$ (53)	\$ 14	\$ —	\$ (19)	\$ 53	\$ 332
Effective Tax Rate	16.6%						26.9%
Basic EPS from continuing operations	\$ 2.37	\$ (0.38)	\$ 0.10	\$ —	\$ (0.14)	\$ 0.38	\$ 2.40
Diluted EPS from continuing operations	\$ 2.32	\$ (0.38)	\$ 0.10	\$ —	\$ (0.14)	\$ 0.38	\$ 2.36
Weighted average common shares outstanding for:							
Basic EPS	138.106	138.106	138.106	138.106	138.106	138.106	138.106
Diluted EPS	140.699	140.699	140.699	140.699	140.699	140.699	140.699

⁽⁵⁾ Business awards for GBS & GIS are estimated at the time of contract signing based on then existing projections of service volumes and currency exchange rates, and include option years. For NPS, announced award values for competitive indefinite delivery and indefinite quantity (IDIQ) awards represent the expected contract value at the time a task order is awarded under the contract. Announced values for non-competitive IDIQ awards represent management's estimate at the award date. Segment awards may not add to total awards due to rounding.

⁽⁶⁾ DSO is calculated as total receivables at the fiscal period end divided by revenue-per-day. Revenue-per-day equals total revenues divided by the number of days in the fiscal period. Total receivables includes unbilled receivables but excludes income tax receivables and long-term receivables.

- Net debt-to-total capitalization ratio⁽⁷⁾ was 14.0% at October 2, 2015, an increase of 3.8% percentage points from 10.2% at April 3, 2015.
- Cash provided by operating activities was \$441 million for the first six months of fiscal 2016, as compared to \$490 million for the same period in the prior year. Cash used in investing activities was \$481 million for the first six months of fiscal 2016, as compared to \$298 million for the same period in the prior year. Cash used in financing activities was \$213 million for the first six months of fiscal 2016, as compared to \$656 million for the same period in the prior year.
- Free cash flow⁽⁸⁾ of \$170 million for the first six months of fiscal 2016 increased \$69 million as compared to \$101 million for the first six months of fiscal 2015.

⁽⁷⁾ Net debt-to-total capitalization ratio is defined as total current and long-term debt less total cash and cash equivalents divided by total debt and equity, including noncontrolling interest.

⁽⁸⁾ Free cash flow is a non-GAAP measure and the Company's definition of such measure may differ from that of other companies. CSC defines free cash flow as equal to the sum of (1) operating cash flows, (2) investing cash flows, excluding business acquisitions, dispositions and investments (including short-term investments and purchase or sale of available for sale securities) and (3) payments on capital leases and other long-term asset financings. Free cash flow is further adjusted for certain non-recurring cash flow items, such as (i) payments related to separation, merger and transaction costs related to fiscal 2016 acquisitions, (ii) payments related to the fiscal 2015 fourth quarter special restructuring, (iii) SEC settlement related payments, and (iv) benefit from the sale of accounts receivables.

CSC's free cash flow measure does not distinguish operating cash flows from investing cash flows as they are required to be presented in accordance with GAAP, and should not be considered a substitute for operating and investing cash flows as determined in accordance with GAAP. Free cash flow is one of the factors CSC management uses in reviewing the overall performance of the business. Management compensates for the limitations of this non-GAAP measure by also reviewing the GAAP measures of operating, investing and financing cash flows. A reconciliation of free cash flow to the most directly comparable GAAP financial measure is presented below:

(Amounts in millions)	Quarter Ended		Six Months Ended	
	October 2, 2015	October 3, 2014	October 2, 2015	October 3, 2014
Net cash provided by operating activities	\$ 117	\$ 217	\$ 441	\$ 490
Net cash used in investing activities	(397)	(184)	(481)	(298)
Acquisitions, net of cash acquired	236	35	236	35
Business dispositions	—	18	(34)	13
Payments on capital leases and other long-term asset financings	(42)	(55)	(111)	(139)
Payments on separation, merger, and other transaction costs	49	—	57	—
Payments on special restructuring costs	32	—	51	—
SEC settlement-related payments	1	—	187	—
Sale of NPS accounts receivables	57	—	(176)	—
Free cash flow	\$ 53	\$ 31	\$ 170	\$ 101

Results of Operations

The Company reports its results based on a fiscal year convention that comprises four thirteen-week quarters. Every fifth year includes an additional week in the first quarter of the fiscal year to prevent the fiscal year from moving from an approximate end of March date. As a result, the first quarter of fiscal 2015 had an extra week.

For the additional week in fiscal 2015, there was additional revenue of \$39 million representing the amortization of fixed fee contracts primarily in the GIS segment. This amount normalized in subsequent fiscal 2015 quarters and as a result there was no impact on total revenue for the fiscal year. In addition, there was additional volume-based revenue, influenced by several factors such as business mix, timing of vacations and number of holidays in the period. The variable revenue component was estimated to be as high as \$80 million. For comparative purposes, the full impact of the extra week to fiscal 2015 revenue was estimated to be approximately \$117 million.

Despite the variable component of extra-week revenue, CSC's costs during the extra week were largely fixed. At the upper end of the revenue range, CSC believes that cost ratios and operating margin on the incremental revenue would not be dissimilar to CSC's overall business. However, at lower levels of incremental revenue, cost ratios may have been higher and operating margin lower than CSC's overall business.

Revenues

Revenues for the GBS, GIS and NPS segments for the quarters and six months ended October 2, 2015 and October 3, 2014, were as follows:

(Amounts in millions)	Quarter Ended			Percent Change
	October 2, 2015	October 3, 2014	Change	
GBS	\$ 891	\$ 1,003	\$ (112)	(11.2)%
GIS	854	1,036	(182)	(17.6)%
NPS	967	1,041	(74)	(7.1)%
Total Revenue	2,712	3,080	(368)	(11.9)%

(Amounts in millions)	Six Months Ended			Percent Change
	October 2, 2015	October 3, 2014	Change	
GBS	\$ 1,810	\$ 2,091	\$ (281)	(13.4)%
GIS	1,739	2,167	(428)	(19.8)%
NPS	1,924	2,059	(135)	(6.6)%
Total Revenue	5,473	6,317	(844)	(13.4)%

The major factors affecting the percent change in revenues for the quarter and six months ended October 2, 2015 are presented as follows:

	Quarter Ended			
	Acquisitions	Approximate Impact of Currency Fluctuations	Net Internal Growth	Total
GBS	—%	(7.5)%	(3.7)%	(11.2)%
GIS	—	(6.8)	(10.8)	(17.6)
NPS	0.5	—	(7.6)	(7.1)
Cumulative Net Percentage	0.2%	(4.7)%	(7.4)%	(11.9)%

	Six Months Ended			
	Acquisitions	Approximate Impact of Currency Fluctuations	Net Internal Growth	Total
GBS	—%	(7.7)%	(5.7)%	(13.4)%
GIS	—	(6.6)	(13.2)	(19.8)
NPS	0.8	—	(7.4)	(6.6)
Cumulative Net Percentage	0.3%	(4.9)%	(8.8)%	(13.4)%

Global Business Services

GBS segment revenue for the second quarter of fiscal 2016 of \$891 million, decreased \$112 million or 11.2%, compared to the same period of fiscal 2015. In constant currency revenue decreased \$37 million, or 3.7%. For the first six months of fiscal 2016, GBS revenue decreased \$281 million, or 13.4%, as compared to the same period of fiscal 2015, and decreased \$119 million, or 5.7%, in constant currency. The unfavorable foreign currency impact was due to strengthening of the U.S. dollar.

The revenue decrease in constant currency for the first six months of fiscal 2016 included revenue from the extra week in the first quarter of fiscal 2015, which did not recur in fiscal 2016. The decrease in GBS revenue, in constant currency, for both the second quarter and first six months, was due to reduced revenue within its applications and consulting businesses, partially offset by revenue increases in the Big Data offering.

Reduced applications revenue resulted from contracts that concluded or were restructured, which more than offset revenue from new contracts. Lower consulting revenue was due to lower project volumes and contract conclusions. Higher Big Data and Industry Software & Solutions revenues resulted from both greater revenues from existing contracts and new business.

GBS had contract awards of \$0.7 billion in the second quarter and \$1.6 billion in the first six months of fiscal 2016, as compared to awards of \$1.2 billion in the second quarter and \$2.4 billion in the first six months of fiscal 2015.

Global Infrastructure Services

GIS segment revenue for the second quarter of fiscal 2016 of \$854 million decreased \$182 million, or 17.6%, compared to the same period of fiscal 2015. In constant currency, revenue decreased \$112 million, or 10.8%. For the first six months of fiscal 2016, GIS revenue decreased \$428 million, or 19.8%, as compared to the same period of fiscal 2015, and decreased \$285 million, or 13.2%, in constant currency. The unfavorable foreign currency impact was due to the strengthening of the U.S. dollar.

The decrease in GIS' revenue, at constant currency, for the second quarter of fiscal 2016 was due to reduced revenue of \$92 million from contracts that terminated or concluded and \$49 million due to price-downs and contract restructurings. These revenue decreases were partially offset by an increase in revenues of \$29 million from new and existing contracts within cloud and infrastructure services businesses.

The decrease in GIS revenue, at constant currency, for the first six months of fiscal 2016 was due to reduced revenue of \$191 million from contracts that terminated or concluded, \$98 million due to price-downs and contract restructurings, and \$40 million on existing contracts, including revenue from the extra week in the first quarter of fiscal 2015, which did not recur in fiscal 2016. These revenue decreases were partially offset by an increase in revenues of \$44 million from new contracts.

GIS had contract awards of \$0.7 billion in the second quarter and \$2.1 billion in the first six months of fiscal 2016, as compared to \$0.6 billion and \$1.8 billion in the comparable periods of fiscal 2015.

North American Public Sector

NPS segment revenues were derived from the following sources:

(Amounts in millions)	Quarter Ended			Percent Change
	October 2, 2015	October 3, 2014	Change	
Department of Defense	\$ 512	\$ 551	\$ (39)	(7.1)%
Civil Agencies	353	399	(46)	(11.5)
Other ⁽¹⁾	102	91	11	12.1
Total	\$ 967	\$ 1,041	\$ (74)	(7.1)%

(Amounts in millions)	Six Months Ended			Percent Change
	October 2, 2015	October 3, 2014	Change	
Department of Defense	\$ 1,024	1,113	(89)	(8.0)%
Civil Agencies	719	772	(53)	(6.9)%
Other ⁽¹⁾	181	174	7	4.0 %
Total	\$ 1,924	2,059	(135)	(6.6)%

⁽¹⁾ Other revenues consist of foreign, state and local government work as well as commercial contracts performed by the NPS segment.

NPS segment revenue for the second quarter of fiscal 2016 decreased \$74 million, or 7.1%, and decreased \$135 million, or 6.6%, for the first six months of fiscal 2016, as compared to the same periods of fiscal 2015. The decrease in the six-month revenue includes revenue from the extra week in fiscal 2015, which did not recur in the first quarter of fiscal 2016.

For both the second quarter and first six months, the revenue decrease from Department of Defense (DOD) contracts was primarily due to a net reduction in tasking on existing contracts and contracts that have either concluded or were winding down and lower revenue as a result of the first quarter fiscal 2016 divestiture. These revenue reductions were partially offset by revenue from a fiscal 2015 acquisition and revenue from new awards.

For both the second quarter and first six months, the revenue declines from contracts with Civil Agencies was primarily due to a net reduction in tasking on existing contracts and reduced revenue on contracts that had either concluded or were winding down.

NPS had contract awards of \$1.5 billion during the second quarter and \$2.5 billion during the first six months of fiscal 2016, as compared to \$1.1 billion and \$1.4 billion during the comparable periods of fiscal 2015.

Costs and Expenses

The Company's total costs and expenses were as follows:

(Amounts in millions)	Quarter Ended				
	Amount		Percentage of Revenue		Percentage of Revenue Change
	October 2, 2015	October 3, 2014	October 2, 2015	October 3, 2014	
Costs of services (excludes depreciation & amortization and restructuring costs)	\$ 1,970	\$ 2,207	72.7 %	71.7 %	1.0 %
Selling, general and administrative (excludes restructuring costs)	286	346	10.5	11.2	(0.7)
Depreciation and amortization	203	252	7.5	8.2	(0.7)
Restructuring costs	6	(7)	0.2	(0.2)	0.4
Separation and merger costs	46	—	1.7	—	1.7
Interest expense, net	28	31	1.0	1.0	—
Other (income) expense, net	(3)	6	(0.1)	0.2	(0.3)
Total	\$ 2,536	\$ 2,835	93.5 %	92.1 %	1.4 %

(Amounts in millions)	Six Months Ended				
	Amount		Percentage of Revenue		Percentage of Revenue Change
	October 2, 2015	October 3, 2014	October 2, 2015	October 3, 2014	
Costs of services (excludes depreciation & amortization and restructuring costs)	\$ 3,996	\$ 4,571	72.9 %	72.4%	0.5 %
Selling, general and administrative (excludes restructuring costs)	570	690	10.4	10.9	(0.5)
Depreciation and amortization	410	524	7.5	8.3	(0.8)
Restructuring costs	6	3	0.1	—	0.1
Separation and merger costs	64	—	1.2	—	1.2
Interest expense, net	52	65	1.0	1.0	—
Other (income) expense, net	(29)	5	(0.5)	0.1	(0.6)
Total	\$ 5,069	\$ 5,858	92.6 %	92.7%	(0.1)%

Costs of Services

Costs of services (COS), excluding depreciation and amortization, and restructuring charges, as a percentage of revenue for the second quarter and first six months of fiscal 2016, increased 1.0 and 0.5 percentage points, respectively, as compared to the same periods of the prior fiscal year.

The amount of restructuring charges excluded from COS were \$(1) million and \$(1) million for the second quarter and first six months of fiscal 2016, respectively, and \$(7) million and \$1 million for the second quarter and first six months of fiscal 2015, respectively.

The increase in the COS ratio for both the second quarter and first six months of fiscal 2016 was driven by the reduction in revenue, which more than offset the decrease in COS. The net reduction in total COS was a result of management's cost reduction initiatives, including reducing headcount, that sought to align the Company's cost structure with business needs.

The increase in COS as a percentage of revenue for the second quarter and first six months of fiscal 2016 was partly the result of the fiscal 2015 gain on sale of certain GIS assets of \$19 million and \$43 million, respectively, which did not recur in fiscal 2016, and lower year-over-year net benefit on contracts accounted for under the percentage of completion method, primarily within the NPS segment.

Selling, General and Administrative

Selling, general and administrative (SG&A) expense, excluding restructuring charges as a percentage of revenue, decreased 0.7 and 0.5 percentage points for the second quarter and first six months of fiscal 2016.

The amount of restructuring charges excluded from SG&A were \$7 million and \$7 million for the second quarter and first six months of fiscal 2016, respectively, and \$0 million and \$2 million for the second quarter and first six months of fiscal 2015, respectively.

The lower SG&A ratio for the second quarter and first six months of fiscal 2016 was driven by lower SG&A costs, partially offset by an adverse impact of reduced revenue. The lower SG&A costs were a result of management's cost reduction initiatives that sought to align the Company's cost structure with business needs.

Depreciation and Amortization

Depreciation and amortization (D&A) as a percentage of revenue decreased 0.7 and 0.8 percentage points for the second quarter and first six months of fiscal 2016, respectively, as compared to the same period of fiscal 2015. The decrease in the ratio was primarily driven by the lower GIS ratio. The decrease in the GIS ratio was caused by lower capital expenditures and due to sale of contract assets to customers where contracts had concluded.

Separation and Merger Costs

Separation and merger costs are expenses incurred associated with activities relating to the separation of CSC's NPS business into a separate company called Computer Sciences Government Services Inc. (CSGS), and its subsequent merger with SRA. These costs are primarily comprised of third-party accounting, legal and other consulting services. For the second quarter and first six months of fiscal 2016, separation and merger costs were \$46 million and \$64 million, respectively. CSC will continue to incur separation and merger costs during fiscal 2016 up until separation of CSGS, and merger of SRA.

Restructuring Costs

There were \$6 million and \$6 million of net restructuring costs recorded during the second quarter and six months ended October 2, 2015 as compared to \$(7) million and \$3 million in the comparable periods of the prior fiscal year. These costs were related to facilities related restructuring in the second quarter of fiscal 2016 offset by the reversal of certain fiscal 2015 fourth quarter special restructuring costs. For the second quarter and first six months of fiscal 2016, there were no pension benefit augmentations included in total restructuring costs, as compared to \$(8) million and \$(7) million, respectively, in the comparable periods of fiscal 2015. These amounts are owed to certain employees in accordance with legal or contractual obligations and will be paid out over several years as part of normal pension distributions.

Interest Expense and Interest Income

Interest expense for the second quarter and first six months of fiscal 2016 was \$35 million and \$70 million, respectively, as compared to \$36 million and \$75 million, respectively, during the same periods of the prior fiscal year.

Interest income for the second quarter and first six months of fiscal 2016 was \$7 million and \$18 million, respectively, as compared to \$5 million and \$10 million, respectively, during the same periods of the prior fiscal year.

Other (Income) Expense, Net

Other (income) expense, net comprises gains and losses from the sale of businesses and non-operating assets, impact of movement in foreign currency exchange rates on the Company's foreign currency denominated assets and liabilities and the related economic hedges, equity earnings of unconsolidated affiliates, and other miscellaneous gains and losses. For the Company's economic hedges, the offset to the foreign currency (income) expense is within COS.

Other income, net for the second quarter and first six months of fiscal 2016 was \$3 million and \$29 million, respectively, as compared to other expense, net of \$6 million and \$5 million, respectively, during the same periods of the prior fiscal year. The \$9 million year-over-year increase in other income for the second quarter of fiscal 2016 was primarily due to a \$6 million gain on sale of certain assets. The \$34 million year-over-year increase in other income for the first six months of fiscal 2016 was primarily due to a \$22 million gain on the sale of a business within the NPS segment (see Note 4 to the Consolidated Condensed Financial Statements).

Taxes

The Company's effective tax rate from continuing operations (ETR) was 1.7% and 16.6% for the second quarter and first six months of fiscal year 2016, respectively, as compared to 27.8% and 26.8%, respectively, during the same periods of the prior fiscal year. The primary drivers of the ETR for the second quarter and first six months of fiscal year 2016 were the release of the reserve for an uncertain tax position following the closure of an audit in a non-U.S. jurisdiction, which decreased the ETR by 29.9% and 13.0%, respectively, and the global mix of income. The primary drivers of the ETR for the second quarter and first six months of fiscal year 2015 were the global mix of income and changes in valuation allowances in certain non-US jurisdictions. For the tax impact of discontinued operations, see Note 4 to the Consolidated Condensed Financial Statements.

During the second quarter and first six months of fiscal year 2016, the Company effectively settled uncertain tax positions with non-U.S. tax authorities resulting in a reduction in reserves for uncertain tax positions of \$98 million, excluding interest and penalties.

The Internal Revenue Service (IRS) is examining the Company's federal income tax returns for fiscal years 2008 through 2013. The IRS examined several issues for the fiscal years 2008 through 2010 that resulted in audit adjustments to the Company's federal income tax returns. The Company does not agree with certain proposed adjustments and has filed an Appeals brief and is in negotiations with the IRS. Although the final outcome of such negotiations is uncertain, management believes that the resolution will have a material effect on the Company's uncertain tax positions. The significant items subject to examination primarily relate to foreign exchange losses and other US international tax issues. The IRS has not proposed any adjustments for the fiscal years 2011 through 2013. In addition, the Company may settle certain other tax examinations, have lapses in statutes limitations, or voluntarily settle income tax positions in negotiated settlements for different amounts than the Company has accrued as uncertain tax positions. The Company may need to accrue and ultimately pay additional amounts for tax positions that previously met a more likely than not standard if such positions are not upheld. Conversely, the Company could settle positions with the tax authorities for amounts lower than those that have been accrued or extinguish a position through payment. The Company believes the outcomes which are reasonably possible within the next twelve months may result in a reduction in liability for uncertain tax positions of up to \$4 million, excluding interest, penalties, and tax carryforwards.

The UK Finance Act 2015 received Royal Assent and was enacted on March 26, 2015. This legislation includes a new Diverted Profits Tax ("DPT"). The DPT will apply as of April 1, 2015 to profits of multinationals that are considered to have been diverted from the UK taxation as defined under the law. If the UK determines that profits have been diverted, such profits will be subject to tax at a rate of 25.0%. The DPT will apply in two situations; (a) where a foreign company has purposefully avoided having a taxable presence in the UK, or (b) where a group has entered into a tax advantageous structure or transaction that lacks economic substance. Although the intentions of the legislation are to address aggressive tax planning lacking in economic substance, the legislation may have a wider reach as the guidance was drafted very broadly. The Company has reviewed the DPT and based on our interpretation of the DPT has determined it does not have a liability to accrue.

In May 2013, the India Finance Act of 2013 introduced a share buyback tax. The India Finance Act of 2015, passed May 14, 2015, increased the share buyback tax rate to 23.07% and increased the dividend distribution tax rate to 20.36%, among other changes. The Company uses the lower undistributed tax rate to measure deferred taxes on inside basis differences, including undistributed earnings, of our India operations as these earnings are permanently reinvested. While the Company has no plans to do so, events may occur in the future that could effectively force management to change its intent not to repatriate our India earnings. If the Company changes its intent and repatriates such earnings, a dividend distribution tax or share buyback tax will be incurred. These additional taxes will be recorded as tax expense in the period in which the Company changes its intent.

The Finance Act of 2012 (the 2012 Finance Act) was signed into law in India on May 28, 2012. The Act provides for the taxation of indirect foreign investment in India, including on a retroactive basis. The 2012 Finance Act overrides the Vodafone NL ruling by the Supreme Court of India which held that the Indian Tax Authorities cannot assess capital gains taxes on the sale of shares of non-Indian companies that indirectly own shares in an Indian company. The retroactive nature of these changes in law has been strongly criticized. The 2012 Finance Act has been challenged in the Indian courts. However, there is no assurance that such challenge will be successful. CSC has engaged in the purchase of shares of foreign companies that indirectly own shares of an Indian company and internal reorganizations. The Indian tax authorities may seek to apply the provisions of the 2012 Finance Act to these prior transactions and seek to tax CSC directly or as a withholding agent or representative assessee of the sellers involved in prior acquisitions. The Company believes that the 2012 Finance Act does not apply to these prior acquisitions and that it has strong defenses against any claims that might be raised by the Indian tax authorities.

Income from Discontinued Operations

There was no income or loss from discontinued operations during the first six months of fiscal 2016. The loss from discontinued operations, net of taxes, was \$21 million and \$29 million for the quarter and six months ended October 3, 2014 and is from the sale of a small software business in Europe during the second quarter of fiscal 2015 (see Note 4 to the unaudited Consolidated Condensed Financial Statements).

Earnings Per Share and Share Base

Diluted earnings per share (EPS) for the second quarter and first six months of fiscal 2016 was \$1.19 and \$2.32, respectively. This was an increase of \$0.15 and \$0.30 from the comparable periods of fiscal 2015, which were \$1.04 and \$2.02, respectively. The increase in EPS for both the second quarter and first six months was primarily due to an increase in the net income attributable to CSC shareholders and a reduction in the number of weighted average shares outstanding at the end of the period.

Cash Flows

Amounts in millions	Quarter Ended	
	October 2, 2015	October 3, 2014
Net cash provided by operating activities	\$ 441	\$ 490
Net cash used in investing activities	(481)	(298)
Net cash used in financing activities	(213)	(656)
Effect of exchange rate changes on cash and cash equivalents	(27)	(56)
Net increase (decrease) in cash and cash equivalents	(280)	(520)
Cash and cash equivalents at beginning of year	2,098	2,443
Cash and cash equivalents at the end of period	\$ 1,818	\$ 1,923

Net cash provided by operating activities for the first six months of fiscal 2016 was \$441 million, a decrease of \$49 million compared to the first six months of fiscal 2015. The decrease in net operating cash flow was due to a payment of \$190 million related to the SEC settlement (see Note 3 to the unaudited Consolidated Condensed Financial Statements) and lower collections of receivables. These cash flow decreases were partially offset by net cash proceeds of \$184 million related to the sale of certain NPS receivables (see Note 6 to the unaudited Consolidated Condensed Financial Statements), lower payroll payments due to lower headcount, lower vendor payments, lower tax payments, and lower pension contributions.

Net cash used in investing activities for the first six months of fiscal 2016 was \$481 million, an increase in outflow of \$183 million compared to the first six months of fiscal 2015. The year-over-year increase in outflow was primarily due to \$201 million of higher payments for business acquisitions and higher net cash outflow for capital expenditures of \$28 million. These increases were partially offset by proceeds from business divestitures of \$47 million (see Note 4 to the unaudited Consolidated Condensed Financial Statements).

Net cash used in financing activities in the first six months of fiscal 2016 was \$213 million, a decrease in outflow of \$443 million compared to the first six months of fiscal 2015. The decrease in outflow was primarily due to lower share repurchases of \$441 million. Also, as compared to the prior year, there were higher net borrowings of \$85 million, but these were mostly offset by lower proceeds from exercise of stock options of \$80 million.

Contractual Obligations

The Company has contractual obligations for long-term debt, capital lease obligations, operating lease obligations, minimum purchase obligations, unrecognized tax positions, and other obligations as summarized in the Off Balance Sheet Arrangements and Contractual Obligations section of the Company's Annual Report on Form 10-K for the year ended April 3, 2015. There have been no material changes since April 3, 2015.

Liquidity and Capital Resources

Cash and cash equivalents were \$1.8 billion and \$2.1 billion at October 2, 2015 and April 3, 2015, respectively. At October 2, 2015, the Company had approximately \$539 million of cash and cash equivalents held in foreign subsidiaries outside of the U.S., as compared to \$1.2 billion at the end of fiscal 2015. It is generally management's intent to permanently reinvest earnings of its foreign operations. Should the Company repatriate any portion of this cash as taxable dividends, it would be required to accrue and pay additional U.S. taxes. The Company has no current plans and does not anticipate repatriating cash to the U.S. as taxable dividends. During the second quarter of fiscal 2016, the Company

repatriated \$1.3 billion of cash, held in foreign subsidiaries to the U.S., by way of capital reduction without the incurrence of tax cost. The cash held outside of the U.S. can be used by the Company to fund strategic acquisitions off-shore such as the fiscal 2016 acquisition of Fixnetix and 2012 acquisitions of iSoft and Applabs.

At the end of the second quarter of fiscal 2016, CSC's ratio of net debt-to-total capitalization was 14.0%, an increase from 10.2% at the end of fiscal 2015. The increase in the ratio was primarily the result of an increase in net debt, due to the decrease in cash and cash equivalents.

The following table summarizes the Company's capitalization ratios as of the end of the second quarter of fiscal 2016 and 2015:

(Amounts in millions)	As of	
	October 2, 2015	April 3, 2015
Total debt	\$ 2,610	\$ 2,669
Cash and cash equivalents	1,818	2,098
Net debt	\$ 792	\$ 571
Total debt	\$ 2,610	\$ 2,669
Equity	3,046	2,949
Total capitalization	\$ 5,656	\$ 5,618
Debt-to-total capitalization	46.1%	47.5%
Net debt-to-total capitalization	14.0%	10.2%

At October 2, 2015, the Company had \$894 million of short-term borrowings and current maturities of long-term debt, and \$1,716 million of long-term debt.

During the second quarter of fiscal 2016, the Company repaid the \$350 million 2.5% term notes which matured in September, 2015 (see Note 10 to the unaudited Consolidated Condensed Financial Statements).

In July 2015, the Company and two of its subsidiaries, CSC Capital Funding Limited (the Issuer), and CSC Computer Sciences International S.a. r.l, established a European commercial paper program (the ECP Program) pursuant to which the Issuer may issue short-term commercial paper notes (the Notes) up to a maximum aggregate amount outstanding at any time of €500 million or its equivalent in alternative currencies. The maturities of the Notes may vary but may not exceed 364 days from the date of issue. The Notes are unconditionally guaranteed by CSC and rank at least equal with all of the Company's other unsecured and unsubordinated indebtedness. The Company's \$2.5 billion committed revolving credit facility will be available, subject to certain conditions, to repay the Notes, if necessary. The Notes may be issued at a discount or may bear fixed or floating rate interest or a coupon calculated by reference to an index or formula. During the second quarter of fiscal 2016, the Company borrowed \$299 million and repaid \$84 million under the ECP Program. As of October 2, 2015 the Company had \$218 million of commercial paper outstanding.

During the second quarter of fiscal 2016, the Company drew down \$1.3 billion on its \$2.5 billion Credit Facility and repaid \$1.15 billion of that amount. As of October 2, 2015, there was \$150 million outstanding against the \$2.5 billion credit facility. This was subsequently repaid during the third quarter of fiscal 2016. During the second quarter of fiscal 2016, the Company undertook extensions of the maturity of the \$2.5 billion Credit Facility. Subsequent to quarter end, the Company had outstanding a \$2.5 billion facility of which \$2.27 billion has a maturity to January 2021 and \$0.23 billion has a maturity to January 2020.

During the first six months, the Company drew \$10 million against the CSC Finance Co. LLC's \$250 million Lease Credit Facility.

On April 21, 2015, the Company entered into a Master Accounts Receivable Purchase Agreement (Purchase Agreement) between the Company, as Seller, and The Royal Bank of Scotland, PLC (RBS) as Purchaser, along with Mitsubishi UFJ Financial Group Ltd. and Bank of Nova Scotia, each as a Participant. Subsequent to the April 21, 2015 agreement, RBS assigned its rights as a purchaser to The Bank of Tokyo-Mitsubishi UFJ, Ltd (BTMU), and the Purchase Agreement was

amended to add CSC Government Solutions LLC as a seller, and BTMU, The Bank of Nova Scotia, and Mizuho Bank, Ltd. each as a purchaser. The amended agreement also converted the receivables purchase facility (the Facility) to a committed facility, extended the initial term to a two-year period, and added Computer Sciences Government Services, Inc as a guarantor.

Under the Facility, CSC can sell up to \$450 million of eligible NPS receivables, including billed receivables and certain unbilled receivables arising from "cost plus fixed fee" and "time and materials" contracts. CSC has no retained interests in the transferred receivables, and only performs collection and administrative functions for the Purchaser for a servicing fee. The Company expects to use the proceeds from receivable sales under the Facility for general corporate purposes (see Note 6 to the unaudited Consolidated Condensed Financial Statements). During the second quarter and first six months of fiscal 2016, the Company sold \$619 million and \$1,333 million, respectively, of billed and unbilled receivables for cash. Collections corresponding to these receivables sales were \$609 million and \$1,156 million for the second quarter and first six months, respectively. As of October 2, 2015, there was also \$7 million of cash collected but not remitted due to timing of settlements, which was recorded as restricted cash. The Company incurred purchase discount and administrative fees of under \$1 million for the second quarter, and \$1 million for the first six months of fiscal 2016. The Company also holds \$2 million in restricted cash as recourse on accrued purchase discount and administrative fees. The net impact of the accounts receivable sales was \$9 million and \$176 million for the second quarter and first six months of fiscal 2016, respectively.

In May 2014, the Company's Board of Directors approved a share repurchase program authorizing up to \$1.5 billion in share repurchases of the Company's outstanding common stock, after completion of a prior repurchase program. The timing, volume, and nature of future share repurchases are at the discretion of management, and may be suspended or discontinued at any time. No end date has been established for the repurchase program. The Company did not repurchase shares of its common stock through open market purchases during the second quarter of fiscal 2016. During the second quarter of fiscal 2016, the Company received 162,908 additional shares as true-up under the fourth quarter fiscal 2015 accelerated share repurchase arrangement. During the first quarter of fiscal 2016, the Company repurchased and retired 1,780,224 shares of common stock through open market purchases for aggregate consideration of \$118 million at a weighted average price of \$66.36 per share. The amount outstanding, at October 2, 2015, for which shares may be repurchased under the program was \$0.8 billion.

During the first six months of fiscal 2016, the Company declared quarterly cash dividends to its common stockholders aggregating to \$0.23 per share, or approximately \$64 million. The Company has sufficient liquidity and expects to continue paying quarterly cash dividends although such payments are subject to continued approval by the Company's Board of Directors.

The Company's total liquidity is comprised of cash and cash equivalents plus any borrowing available under its revolving credit facility. As of October 2, 2015, the Company's total liquidity was \$4.2 billion, consisting of \$1.8 billion of cash and cash equivalents and \$2.4 billion available under the Company's revolving credit facility. In addition, the Company had access to the undrawn balance of \$240 million under CSC Finco's \$250 million Leasing Facility at CSC Finco to fund capital expenditures. In the opinion of management, CSC will be able to meet its liquidity and cash needs for the foreseeable future through the combination of cash flows from operating activities, available cash balances, and available borrowings under the Company's undrawn credit facilities and CSC Finco's Leasing Facility. If these resources need to be augmented, additional cash requirements would likely be financed by the issuance of debt and/or equity securities. However, there can be no assurances that the Company will be able to obtain debt financing on acceptable terms in the future.

The Company's exposure to operational liquidity risk is primarily from long-term contracts which require significant investment of cash during the initial phases of the contracts. The recovery of these investments is over the life of the contract and is dependent upon the Company's performance as well as customer acceptance. Continuing uncertainty in the global economic conditions may also affect the Company's business as customers and suppliers may decide to downsize, defer or cancel contracts, which could negatively affect operating cash flow.

Subsequent to the May 19, 2015 announcement of the proposed separation of the Company's U.S. public sector business, all three major ratings agencies that rate the Company's debt took ratings action. Fitch formally reaffirmed its existing credit ratings of BBB with "Stable" outlook. S&P put the Company's credit ratings on "Credit Watch" but stated its expectations to reaffirm its ratings of BBB+ with "Stable" outlook. Moody's also put the Company's ratings of Baa2 with

"Stable" outlook under "credit review". On July 16, 2015, S&P confirmed its credit ratings of BBB+ with "Stable" outlook, and on July 30, 2015, Moody's confirmed its credit ratings of Baa2 with "Stable" outlook.

The most recent ratings and outlooks issued by Moody's, S&P and Fitch are described in the table below:

Rating Agency	Rating	Outlook	Short Term Ratings
Fitch	BBB	Stable	F2
Moody's	Baa2	Stable	-
S&P	BBB+	Stable	A-2

Credit rating agencies review their ratings periodically and, therefore, the credit rating assigned to the Company by each agency may be subject to revision at any time. Accordingly, CSC is not able to predict whether its current credit ratings will remain as disclosed above. Factors that can affect the Company's credit ratings include changes in its operating performance, its financial position outcome of ongoing litigation as well as regulatory action, and changes in its business strategy. If further changes in the Company's credit ratings were to occur, they could impact, among other things, its future borrowing costs and access to capital markets.

RECENT ACCOUNTING PRONOUNCEMENTS AND CRITICAL ACCOUNTING ESTIMATES

Recent accounting pronouncements and the anticipated impact to the Company are described in the notes to the unaudited Consolidated Condensed Financial Statements included in this Form 10-Q as well as in the Company's Annual Report on Form 10-K for the fiscal year ended April 3, 2015.

The Company has identified several critical accounting estimates which are described in "Management's Discussion and Analysis" of the Company's Annual Report on Form 10-K for fiscal 2015. An accounting estimate is considered critical if both: (a) the nature of the estimates or assumptions is material due to the levels of subjectivity and judgment involved, and (b) the impact of changes in the estimates and assumptions would have a material effect on the Consolidated Condensed Financial Statements. The Company's critical accounting estimates relate to: revenue recognition and cost estimation and recoverability on long term, fixed-price contracts; revenue recognition on software license sales that require significant customization; estimates used to determine deferred income taxes; capitalization of outsourcing contract costs and software development costs; assumptions related to purchase accounting and goodwill; assumptions to determine retirement benefits costs and liabilities; and assumptions and estimates used to analyze contingencies and litigation. Modifications to contract scope, schedule, and price may be required on development contracts accounted for on a percentage-of-completion basis and other contracts with the U.S. federal government. Accounting for such changes prior to formal contract modification requires evaluation of the characteristics and circumstances of the effort completed and assessment of probability of recovery. If recovery is deemed probable, the Company may, as appropriate, either defer the costs until the parties have agreed on the contract change or recognize the costs and related revenue as current period contract performance. The Company routinely negotiates such contract modifications. For all these estimates, the Company cautions that future events may not develop as forecast, and the best estimates routinely require adjustment. During fiscal 2016, there have been no changes to the Company's critical accounting estimates described in the Company's Annual Report on Form 10-K for fiscal 2015.

PART I, ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For a discussion of the Company's market risk associated with interest rates and foreign currencies, see "Quantitative and Qualitative Disclosures about Market Risk" in Part II, Item 7A, "Management's Discussion and Analysis of Financial Condition and Results of Operations," of the Company's Annual Report on Form 10-K for the fiscal year ended April 3, 2015. For the quarter ended October 2, 2015, there have been no material changes to the sources and effects of the Company's market risk.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

"Disclosure controls and procedures" are the controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports filed or submitted by it under the Securities Exchange Act

of 1934, as amended (Exchange Act) is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. "Disclosure controls and procedures" include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in its Exchange Act reports is accumulated and communicated to the issuer's management, including its principal executive and financial officers, as appropriate to allow timely decisions regarding required disclosure.

Under the direction of the Company's Chief Executive Officer and Chief Financial Officer, the Company has evaluated its disclosure controls and procedures as of October 2, 2015 to ensure (i) that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and (ii) that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including the principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective as of October 2, 2015.

Changes in Internal Controls

"Internal control over financial reporting" is a process designed by, or under the supervision of, the issuer's principal executive and financial officers, and effected by the issuer's board of directors, management, and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with GAAP and includes those policies and procedures that:

- (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the issuer;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with GAAP, and that receipts and expenditures of the issuer are being made only in accordance with authorization of management and directors of the issuer; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the issuer's assets that could have a material effect on the consolidated financial statements.

During the fiscal quarter ended October 2, 2015, the Company began to implement a new Enterprise Resource Planning (ERP) system, which, when completed, will handle the business and financial processes within CSC's Americas operations and its corporate and administrative functions. The Company has modified and will continue to modify its internal controls relating to its business and financial processes throughout the entire ERP system implementation, which is expected to progress through the end of the third quarter of fiscal 2016. This represents the initial step toward having a single global instance of our ERP system. While the Company believes that this new system and the related changes to internal controls will ultimately strengthen its internal controls over financial reporting, there are inherent risks in implementing any new ERP system and the Company will continue to evaluate and test control changes in order to provide certification as of its fiscal year ending April 1, 2016 on the effectiveness, in all material respects, of its internal controls over financial reporting.

During the fiscal quarter ended October 2, 2015, there were no other changes in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings

The information required by this Item is set forth in Note 18, Commitments & Contingencies, to the unaudited Consolidated Condensed Financial Statements under the caption "Contingencies", contained in Part I - Item 1 of this Current Report on Form 10-Q. Such information is incorporated herein by reference and made a part hereof.

Item 1A. Risk Factors

Past performance may not be a reliable indicator of future financial performance. Future performance and historical trends may be adversely affected by the following factor, as well as other variables, and should not be relied upon to project future period results. There have been no material changes to the risk factors reported under Item 1A of our 2015 Form 10-K and our Form 10-Q for the quarter ended July 3, 2015.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

- (a) None
 (b) None
 (c) Purchases of Equity Securities

The following table provides information on a monthly basis for the quarter ended October 2, 2015 with respect to the Company's purchase of equity securities:

Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs ⁽²⁾
July 4, 2015 to July 31, 2015	20,748	\$67.73	—	\$770,695,899
August 1, 2015 to August 28, 2015	15,424	\$66.69	—	\$770,695,899
August 29, 2015 to October 2, 2015	29,155	\$62.24	—	\$770,695,899

(1) The Company accepted 36,636 shares of its common stock in the quarter ended October 2, 2015 from employees in lieu of cash due to the Company in connection with the settlement of shares of common stock related to vested RSUs. Such shares of common stock are stated at cost and held as treasury shares to be used for general corporate purposes.

The Company accepted 28,691 shares of its common stock in the quarter ended October 2, 2015 from employees in lieu of cash due to the Company in connection with the exercise of stock options. Such shares of common stock are stated at cost and held as treasury shares to be used for general corporate purposes.

(2) During the first quarter of fiscal 2015, the Company's Board of Directors approved a new share repurchase program authorizing up to \$1.5 billion in share repurchases of the Company's outstanding common stock. CSC has been implementing these programs through purchases made in open market transactions in compliance with SEC Rule 10b-18 and Rule 10b5-1, subject to market conditions, and applicable state and federal legal requirements. Share repurchases will be funded with available cash. The timing, volume, and nature of share repurchases will be at the discretion of management, and may be suspended or discontinued at any time. CSC's Board of Directors has not established an end date for the repurchase program. The approximate amount for which shares may yet be purchased under this program at October 2, 2015 is \$771 million.

The Company repurchased 0 shares of its common stock in the fiscal quarter ended October 2, 2015 pursuant to the share repurchase program. Not included in the schedule above are 162,908 additional shares delivered to Company under an accelerated share repurchase arrangement (see Note 14 to the unaudited Consolidated Condensed Financial Statements).

ITEM 3. DEFAULT UPON SENIOR SECURITIES

None

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable

ITEM 5. OTHER INFORMATION

None

Item 6. Exhibits

The following exhibits are filed with this report.

Exhibit Number	Description of Exhibit
2.1	Scheme Implementation Agreement by and among Computer Sciences Corporation, CSC Computer Sciences Australia Holdings Pty Limited, and iSOFT Group Limited (incorporated by reference to Exhibit 2 to the Company's Current Report on Form 8-K (filed on April 5, 2011) (file number 11739300))
2.2	Agreement and Plan of Merger, dated as of August 31, 2015, by and among Computer Sciences Corporation, Computer Sciences Government Services Inc., Star First Merger Sub Inc., Star Second Merger Sub LLC, SRA Companies, Inc., SRA International Inc. and Enumerated SRA Stockholders (incorporated by reference to Exhibit 2.1 to the Company Current Report on Form 8-K (filed September 4, 2015) (file number 151094588))
3.1	Amended and Restated Articles of Incorporation filed with the Nevada Secretary of State on August 9, 2010 (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended July 2, 2010 (filed August 11, 2010) (file number 101007138))
3.2	Amended and Restated Bylaws dated as of February 7, 2012 (incorporated by reference to Exhibit 3.2 to the Company's Annual Report on Form 10-K for the fiscal year ended March 30, 2012 (filed May 29, 2012) (file number 12874585))
3.3	Certificate of Amendment to Section 1 of Article III of the Amended and Restated Bylaws, dated October 14, 2015 (incorporated by reference to Exhibit 3.2.1 to the Company's Current Report on Form 8-K (filed October 14, 2015) (file number 151158714))
4.1	Indenture dated as of March 3, 2008, for the 5.50% senior notes due 2013 and the 6.50% senior notes due 2018 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K (filed September 15, 2008) (file number 081071955))
4.2	Indenture dated as of September 18, 2012, for the 2.500% senior notes due 2015 and the 4.450% senior notes due 2022 by and between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K (filed September 19, 2012) (file number 121100352))
4.3	First Supplemental Indenture dated as of September 18, 2012, by and between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee, and attaching a specimen form of the 2.500% Senior Notes due 2015 and the 4.450% Senior Notes due 2022 (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K (filed September 19, 2012) (file number 121100352))
4.4	4.450% Senior Note due 2022 (in global form), dated September 18, 2012, among the Company and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.4 to the Company's Current Report on Form 8-K (filed September 19, 2012) (file number 121100352))
10.1	Dealer Agreement, dated as of July 24, 2015, by and between the CSC Capital Funding Limited, as issuer, the Company, as guarantor, Citibank International Limited, as arranger, and the financial institutions listed therein, as dealers (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K (filed July 28, 2015) (file number 151010497))
10.2	Second Amended and Restated Master Accounts Receivable Purchase Agreement, dated as of October 1, 2015, by and among the Company and CSC Government Solutions LLC, as sellers, the Purchasers party thereto, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as administrative agent.
10.3	Amended and Restated Guaranty, dated as of August 20, 2015, by the Company, in favor of The Bank of Tokyo-Mitsubishi UFJ, LTD., New York Branch, as Guaranteed Party, for the benefit of the Purchasers as defined therein.
10.4	Guaranty, dated as of October 1, 2015, by Computer Sciences Government Services Inc., as Guarantor, in favor of The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as Guaranteed Party, for the benefit of the Purchasers as defined therein.
31.1	Section 302 Certification of the Chief Executive Officer
31.2	Section 302 Certification of the Chief Financial Officer
32.1	Section 906 Certification of Chief Executive Officer
32.2	Section 906 Certification of Chief Financial Officer
101.INS	XBRL Instance
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation
101.LAB	XBRL Taxonomy Extension Labels
101.PRE	XBRL Taxonomy Extension Presentation

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.

COMPUTER SCIENCES CORPORATION

Dated: November 10, 2015

By: /s/ Diane E. Wilfong

Name: **Diane E. Wilfong**

Title: **Vice President and Controller
(Principal Accounting Officer)**

**SECOND AMENDED AND RESTATED
MASTER ACCOUNTS RECEIVABLE PURCHASE AGREEMENT**

among

COMPUTER SCIENCES CORPORATION, and

CSC GOVERNMENT SOLUTIONS LLC,

as the Sellers

the PURCHASERS party hereto

and

**THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., NEW YORK BRANCH,
as the Administrative Agent**

Dated as of October 1, 2015

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Exhibit B	Form of Joinder Agreement

**SECOND AMENDED AND RESTATED
MASTER ACCOUNTS RECEIVABLE PURCHASE AGREEMENT**

SECOND AMENDED AND RESTATED MASTER ACCOUNTS RECEIVABLE PURCHASE AGREEMENT, dated as of October 1, 2015 (as amended, restated, supplemented or otherwise modified from time to time, this “Agreement”), among **CSC GOVERNMENT SOLUTIONS LLC**, a Nevada limited liability company (“CSC Solutions”), **COMPUTER SCIENCES CORPORATION**, a Nevada corporation (“CSC”) and each Additional Seller (as defined below) that becomes a party hereto (each, a “Seller”, and collectively, the “Sellers”), each **PURCHASER** party hereto and **THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., NEW YORK BRANCH** (“BTMUNY”), as administrative agent for the Purchasers (the “Administrative Agent”).

RECITALS:

The Sellers, BTMUNY, as Purchaser and the Administrative Agent are parties to the Amended and Restated Master Accounts Receivable Purchase Agreement, dated as of August 20, 2015 (as heretofore amended, supplemented or otherwise modified, the “Original Purchase Agreement”), pursuant to which BTMUNY, as Administrative Agent, has (on behalf of the Purchasers) purchased various Receivables from the Sellers.

The Sellers, the Purchasers and the Administrative Agent have agreed to amend and restate the terms of the Original Purchase Agreement in order to (i) increase the Aggregate Commitments, (ii) add CSGS (as defined below) as a guarantor under the CSGS Parent Guaranty (as defined below) and (iii) make the other modifications set out in this Agreement, in each case, on the terms and subject to the conditions set forth in this Agreement.

SECTION 1. DEFINITIONS AND INTERPRETATION

In this Agreement, the following terms shall have the meanings ascribed thereto:

“Account Control Agreement” means a deposit account control agreement with respect to a Seller Account, in form and substance satisfactory to the parties thereto, among the applicable Seller or Seller Representative (in its capacity as owner of the Seller Account), the Administrative Agent and the applicable depository institution.

“Accrued Aggregate Unreimbursed Purchase Discount” means, in relation to a given Settlement Date or Termination Settlement Date, as applicable, the portion of the Aggregate Unreimbursed Purchase Discount accrued during the immediately preceding Settlement Period.

“Additional Seller” as defined in Section 14.20.

“Additional Seller Conditions Precedent” means, in respect of any proposed Additional Seller, that (i) each Purchaser’s know-your-customer requirements with respect to such proposed Additional Seller have been satisfied; and (ii) each applicable Parent Guaranty covering the obligations of such proposed Additional Seller has been issued and is in full force and effect.

“Adjusted Purchase Price” as defined in Section 2.3.

“Administration Fee” as defined in Section 3.5.

“Adverse Claim” means any mortgage, assignment, security interest, pledge, lien or other encumbrance securing any obligation of any Person or any other type of adverse claim or preferential arrangement having a similar effect (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, and any lease in the nature thereof), in each case other than as arising under this Agreement.

“Administrative Agent’s Account” means the account of the Administrative Agent located at BTMUNY with account number 97770191, or such other account as notified to the Seller Representative from time to time by the Administrative Agent in writing.

“Affiliate” means, as to any Person, any other present or future Person controlling, controlled by or under common control with, such Person.

“Aggregate Commitments” means the sum of the Commitments of the Purchasers.

“Aggregate Unreimbursed Purchase Discount” means the aggregate of all Purchase Discounts that the Administrative Agent elects, in accordance with Section 2.3, not to deduct from the Net Face Value when calculating the Purchase Price on any Settlement Date, the portion of which has not been paid by the Seller Representative or any Seller to the Administrative Agent by deposit into the Administrative Agent’s Account.

“Agreement” as defined in the preamble hereto.

“Anti-Corruption Laws” means all laws, rules and regulations of any jurisdiction applicable to any Seller from time to time concerning or relating to bribery or corruption in connection with any action contemplated by this Agreement.

“Applicable Margin” means 0.53%, *per annum*.

“Approved Obligor” means each Obligor listed on Schedule A, as the same may be updated from time to time in accordance with Sections 14.21 and 14.22.

“Approved Obligor Buffer Period” means for each Approved Obligor, the number of days set forth under the heading “Approved Obligor Buffer Period” for such Approved Obligor on Schedule A.

“Approved Obligor Termination Event” means, with respect to a particular Approved Obligor, (i) the failure of the United States House of Representatives to appropriate sufficient funds to the applicable agency or department of the U.S. Government of which such Approved Obligor is a part (thereby preventing such Approved Obligor from making payments to the relevant Seller or the Administrative Agent (for the ratable benefit of the Purchasers)); or (ii) the occurrence of a Non-Payment Event.

“Asset Interest” as defined in Section 2.1(b).

“Assignment and Assumption” means, an assignment and assumption agreement on customary market terms in form acceptable to the Administrative Agent.

“Billed Receivable” means a Receivable which is evidenced by an Invoice.

“Business Day” means a day that is not a Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required by law to remain closed; provided that, when used in connection with determining LIBOR, the term “Business Day” shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.

“Capital Lease” means, with respect to any Person, any lease of any property by such Person as lessee which would, in conformity with GAAP, be required to be accounted for as a capital lease on the balance sheet of such Person.

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

“Collection Account” means each of (a) the account of CSC located at Wells Fargo (ABA No. 026009580) with account number 412-8885639; (b) the account the Seller Representative located at Bank of America (ABA No. 026009593) with account number 4427274389; and (c) an account of a Seller or the Seller Representative located at a depository bank satisfactory to the Administrative Agent, in each case which account is subject to an Account Control Agreement.

“Collections” means, with respect to any Purchased Receivable, all payments made on such Purchased Receivable and any other payments, receipts or recoveries received by a Seller with respect to such Purchased Receivable.

“Commitment” means, as to each Purchaser, its obligation to purchase Asset Interests in Purchased Receivables pursuant to Section 2.1(b), in an aggregate amount at any one time outstanding not to exceed the amount set forth opposite such Purchaser’s name on Schedule D

or in the Assignment and Assumption pursuant to which such Purchaser becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement.

“Contract” means, with respect to any Receivable, the applicable contract or purchase order with respect to such Receivable between a Seller and the applicable Approved Obligor, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof.

“Conversion Date” as defined in Section 2.9.

“Conversion Date Adjustment Amount” means, with respect to each Eligible Unbilled Receivable that is the subject of a Conversion Date, the positive difference, if any, between (a) the amount payable by the applicable Approved Obligor with respect to such Purchased Receivable immediately prior to its Conversion Date and (b) the amount payable by the applicable Approved Obligor with respect to such Purchased Receivable immediately upon giving effect to its Conversion Date.

“CSC Parent Guaranty” means the Amended and Restated Guaranty, dated as of August 20, 2015, by CSC in favor of the Administrative Agent, for the benefit of the Purchasers.

“CSGS” means Computer Sciences Government Services, Inc., a Nevada corporation.

“CSGS Parent Guaranty” means that certain Guaranty, dated as of the date hereof, by CSGS in favor of the Administrative Agent, for the benefit of the Purchasers.

“CSC Guaranty Termination Date” means the date on which each Parent Guaranty provided by CSC is terminated in accordance with Section 14.25.

“Debt” means, with respect to any Person, (a) indebtedness of such Person for borrowed money, (b) obligations of such Person evidenced by bonds, debentures, notes or other similar instruments and (c) obligations of such Person as lessee under Capital Leases; provided that “Debt” shall not include borrowings against the cash surrender value of life insurance policies covering employees of a Seller or its Affiliates and owned by a Seller or its Affiliates so long as (i) recourse for such borrowings is limited to such policies and the proceeds thereof and (ii) any value assigned to such policies on the consolidated financial statements of a Seller and its Subsidiaries is net of the amount of such borrowings.

“Deemed Repurchase” as defined in Section 2.2.

“Defaulting Purchaser” means, subject to Section 2.11(c), any Purchaser that (a) has failed to (i) fund all or any portion of such Purchaser’s Pro Rata Share of any Payment Amount by the time such amount was required to be funded hereunder unless such Purchaser notifies the Administrative Agent and the Seller Representative in writing that such failure is the result of such Purchaser’s good faith determination that one or more of the conditions precedent to funding (specifically identified in writing and including the particular default if any) has not been satisfied, or (ii) pay to the Administrative Agent or any other Purchaser any other amount required to be paid by it hereunder within two Business Days of the date when such payment is due, (b) has notified the Seller Representative, any Seller, the Administrative Agent, or any Purchaser in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to the effect that it does not intend to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Purchaser’s good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three Business Days after written request by the Administrative Agent or the Seller Representative, to confirm in writing to the Administrative Agent and the Seller Representative that it will comply with its prospective funding obligations hereunder (provided that such Purchaser shall cease to be a Defaulting Purchaser pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Seller Representative) or (d) has, or has a direct or indirect parent company that has, (i) become the subject of an Insolvency Event; provided that a Purchaser shall not be a Defaulting Purchaser solely by virtue of the ownership or acquisition of any equity interest in that Purchaser or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Purchaser with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Purchaser (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Purchaser. Any determination by the Administrative Agent that a Purchaser is a Defaulting Purchaser under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Purchaser shall be deemed to be a Defaulting Purchaser (subject to Section 2.11(c)) upon delivery of written notice of such determination to the Seller Representative and each Purchaser.

“Dilution” means, with respect to any Receivable, (a) any discount, adjustment, deduction, or reduction (including, without limitation, as a result of any rate variance under the related Contract or as a result of any set-off whatsoever effected by the Approved Obligor, whether in relation to a payment obligation, tax or other amount payable by a Seller to such Approved Obligor (or any other branch or agency of the U.S.

Government)), in each case, that would have the effect of reducing the amount of part or all of such Receivable and (b) the Conversion Date Adjustment Amount (if any) with respect to such Receivable.

“Discounted Purchase Price” as defined in Section 2.3.

“Discount Period” means, with respect to any Receivable the number of days from (and including) the applicable Purchase Date of such Receivable to (but not including) the date which is the last day of the Approved Obligor Buffer Period for the Approved Obligor of such Receivable following the Maturity Date of such Receivable.

“Discount Rate” means, with respect to any Receivable, a rate *per annum* equal to the sum of (i) LIBOR plus (ii) the Applicable Margin.

“Dispute” means, with respect to any Receivable, any Dilution with respect to such Receivable (other than any Dilutions specifically taken into account in determining the Purchase Price for such Receivable), or any refusal to pay as a result of any bona fide dispute, deduction, claim, offset, defense, counterclaim, discount, retainage, allowance, or warranty issue of any kind between a Seller and the applicable Approved Obligor (or any of their respective affiliates) relating to such Receivable, including, without limitation, any products liability claim arising out of or in connection with such Receivable, in each case, which is reasonably likely to reduce the amount due and payable by any Approved Obligor with respect to such Receivable.

“Dollar” and “\$” means the lawful currency of the United States of America.

“Eligible Receivable” means a Receivable backed by the full faith and credit of the U.S. Government and arising from the sale of Goods and Services pursuant to a Contract with an Approved Obligor, including Receivables that have been billed pursuant to an Invoice and Eligible Unbilled Receivables; provided that, with respect to each Eligible Receivable that is a Billed Receivable, such Receivable shall not be more than 45 days past due; provided further that Eligible Receivables shall not include any Receivable, the Obligor of which has agreed to pay such Receivable via credit card.

“Eligible Unbilled Receivable” means a Receivable arising from a “cost plus fixed fee” or “time and materials” Contract where work has been performed by the relevant Seller and revenue has been recognized in accordance with GAAP, thereby generating an unbilled receivable balance and such Receivable has been recorded in the Seller’s general ledger system and reported to the Administrative Agent on the applicable Servicing Report, including those Receivables that are unbilled due to “administrative delays” but excluding, without limitation, Excluded Unbilled Receivables.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to the Administrative Agent or any Purchaser or required to be withheld or deducted from a payment to the Administrative Agent or such Purchaser, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes and branch profits Taxes, in each case, imposed as a result of the Administrative Agent or such Purchaser (i) being organized under the laws of, or having its principal office in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) having a present or former connection with the jurisdiction imposing such Tax (other than any such connection arising solely from the Administrative Agent or such Purchaser, as applicable, having executed, delivered, become a party to, performed its obligations under, received payments under or enforced this Agreement), (b) Taxes attributable to the Administrative Agent’s or such Purchaser’s failure to provide tax forms to the Seller Representative in accordance with Section 12.1 and (c) any U.S. federal withholding Taxes imposed under FATCA.

“Excluded Unbilled Receivables” means each of the following: (i) any unbilled receivable arising under a “firm fixed price” contract and any contract with “estimate at completion” adjustments; (ii) any unbilled receivable arising under a firm-fixed price contract where the account debtor is billed less than the amount to be received under the contract (based on the “percentage-of-completion” method of revenue recognition); (iii) any unbilled receivable arising under a contract where the account debtor is billed in excess of the costs incurred to date; (iv) any unbilled receivable in respect of “at-risk” projects (including, without limitation, scenarios where the Seller starts working prior to obtaining a signed contract); (v) any unbilled receivable arising under a contract based on milestone billing periods; and (vi) any award or incentive fee structures where the Seller is unable to bill for the award or fee until the government awards the fee through a formal contract modification or approval process.

“Existing Account” means, with respect to:

(i) CSC, the deposit accounts of CSC located at Wells Fargo (ABA No. 026009580) with account numbers 2100012761646 and 2100012761138;

(ii) CSC Solutions, the deposit accounts of CSC Solutions or the Seller Representative located at Bank of America (ABA No. 026009593) with account number 4427274363;

(iii) each Additional Seller, each deposit account of such Additional Seller specified as such in the applicable Joinder Agreement; and

(iv) any other deposit account located at a depository bank satisfactory to the Administrative Agent;

in each case which deposit account is subject to an Account Control Agreement.

“FACA” means the Federal Assignment of Claims Act, 41 U.S.C. § 15, as supplemented by the Federal Acquisition Regulations, 48 C.F.R.

“Facility Suspension Event” means (i) the occurrence of a Servicer Replacement Event or (ii) the occurrence of a Shutdown of the U.S. Government, or (iii) any disclaimer of its obligations by the guarantor under any Parent Guaranty or failure of any Parent Guaranty to be in full force and effect; provided that with respect to each Parent Guaranty provided by CSC, this clause (iii) shall only apply prior to the CSC Guaranty Termination Date.

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement, any current or future regulations or official interpretations thereof and any agreement entered into pursuant to Section 1471(b)(1) of the Code.

“Final Collection Date” means the Business Day following the termination of purchases under this Agreement on which all amounts to which the Purchasers shall be entitled in respect of Purchased Receivables and all other amounts owing to the Administrative Agent and the Purchasers hereunder and under the other Purchase Documents are paid in full.

“Final Maturity Date” means the Maturity Date of the last outstanding Purchased Receivable.

“Funded Amount” means, as of any date of determination, the difference between (a) the sum of all Purchase Prices paid hereunder and (b) the sum of all Collections actually received by the Administrative Agent by deposit into the Administrative Agent’s Account (or, prior to the Restatement Date, by any Purchaser by deposit into any predecessor Purchaser account).

“GAAP” means United States generally accepted accounting principles in effect as of the date of determination thereof.

“Goods and Services” means, with respect to any Receivable, those goods sold by a Seller to the applicable Approved Obligor and any related services provided by such Seller to such Approved Obligor pursuant to the applicable Contract.

“Governmental Authority” means any nation or government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

“Indemnified Liabilities” as defined in Section 14.1.

“Indemnified Party” as defined in Section 14.1.

“Indemnified Taxes” means Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Seller under this Agreement.

“Ineligible Assignee” means any Person whose primary business is to engage in the sale or provision of information technology services as determined by the Seller Representative in good faith based on publicly available information.

“Insolvency Event” means, with respect to any Person, such Person (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger); or (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; or (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors; or (iv) institutes or has instituted against it a proceeding seeking judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency Law or other similar Law affecting creditor’s rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within sixty (60) days of the institution or presentation thereof; or (v) has a resolution passed for its winding-up, official management or liquidation; or (vi) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all of its assets; or (vii) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within sixty (60) days thereafter, or (viii) causes or is subject to any event with respect to it which, under the applicable Laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) to (vii) (inclusive), or (ix) takes any corporate or other organizational action to authorize any of the foregoing.

“Invoice” means, with respect to any Receivable, the invoice with respect to such Receivable issued by a Seller to the applicable Approved Obligor for the payment for the applicable Goods and Services supplied provided pursuant to the applicable Contract.

“Joinder Agreement” means a joinder agreement, in the form of Exhibit B hereto.

“Law” means any law (including common law), constitution, statute, treaty, regulation, rule, ordinance, order, injunction, writ, decree or award of any Governmental Authority.

“Late Payment Amount” as defined in Section 3.1.

“LIBOR” means the rate established by the Administrative Agent (calculated on the basis of actual days elapsed over a 360-day year) equal to the London interbank offered rate, as administered by the ICE Benchmark Administration (or any other person which takes over the administration of such rate) appearing on the Reuters page that displays such rate (such page currently being the LIBOR01 page) as of 1:00 p.m. (London time) (x) in the case of a Purchase Date, one Business Day immediately preceding the related Settlement Date, for a period equal to one month (i.e., the one-month LIBOR) or (y) in any other case, two Business Days immediately preceding the first day for which such rate is accruing, for a period matching the period over which such rate has accrued; provided, however, if a Discount Period or such other period does not match an available LIBOR quotation, then the Administrative Agent shall determine LIBOR for the purpose of such Discount Period or other period by linear interpolation of the nearest two LIBOR rates. In the event that such rate does not appear on such page or service at such time, “LIBOR” shall be determined by reference to such other comparable publicly available service for displaying the offered rate for deposits in Dollars in the London interbank market as may be selected by the Administrative Agent and, in the absence of availability, such other method to determine such offered rate as may be selected by the Administrative Agent in its sole discretion. If, for any given date of determination, LIBOR is determined to be negative, then notwithstanding anything herein to the contrary, the LIBOR for such date shall be deemed to be zero.

“Material Adverse Effect” as defined in Section 9.1(a).

“Maturity Date” means, with respect to any Receivable, the date on which such Receivable becomes due and payable as set forth in the applicable Invoice; provided that, for the purpose of calculating the Discount Period for an Eligible Unbilled Receivable, the Maturity Date shall be deemed to be the date falling 120 days after the Purchase Date related to such Eligible Unbilled Receivable (it being understood that, from and including the Conversion Date for any such Purchased Receivable, the Maturity Date thereof shall be the date upon which such Purchased Receivable becomes due and payable as set forth in the applicable Invoice).

“Maximum Funded Amount” means the lesser of (a) the Total Outstanding Amount and (b) the Aggregate Commitments.

“Net Face Value” means, with respect to any Receivable, the amount payable by the applicable Approved Obligor under the applicable Invoice, net of any Taxes and any Dilutions specifically taken into account in determining the Purchase Price for such Receivable as of the applicable Purchase Date.

“Non-Payment Event” as defined in Section 5.4.

“Obligor” means, with respect to any Receivable, the Person that is obligated to make payments in respect of such Receivable pursuant to the applicable Contract.

“Overdue Receivable” as defined in Section 5.4.

“Parent Guaranty” means, (a) in respect of CSC, as a Seller, the CSGS Parent Guaranty, (b) in respect of CSC Solutions, as a Seller, (i) the CSGS Parent Guaranty and (ii) prior to the CSC Guaranty Termination Date, the CSC Parent Guaranty, and (c) in respect of each Additional Seller, (i) the CSGS Parent Guaranty and (ii) prior to the CSC Guaranty Termination Date, a New York law guaranty issued by CSC in favor of the Administrative Agent (for the benefit of the Purchasers), which guarantees such Additional Seller’s obligations hereunder, which guaranty shall be in form and substance satisfactory to the Administrative Agent.

“Participant” as defined in Section 14.6(d).

“PATRIOT Act” as defined in Section 14.18.

“Payment Amount” means, as of any given Settlement Date, the *difference* between (a) the Maximum Funded Amount *minus* the Funded Amount and (b) the Accrued Aggregate Unreimbursed Purchase Discount *plus* any other amounts owing to the Administrative Agent or any Purchaser by a Seller under this Agreement as of such Settlement Date; provided, however, that if the Administrative Agent does not receive (on or before 12:00 p.m. (New York time)) the full amount of any funding expected from the Purchasers, then any positive Payment Amount will be reduced to \$0 in accordance with Section 2.2.

“Person” means an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

“Prime Commercial Rate” means the rate of interest most recently published in the Money Rates section of The Wall Street Journal from time to time as the Prime Rate in the United States of America or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the “bank prime loan” rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or any similar release by the Federal Reserve Board (as determined by the Administrative Agent). Any change in such prime rate shall take effect at the opening of business on the day specified in the public announcement of such change. If, for any given date of determination, the Prime Commercial Rate is determined to be negative, then notwithstanding anything herein to the contrary, the Prime Commercial Rate for such date shall be deemed to be zero.

“PrimeRevenue System” means the Administrative Agent's communication tool accessible via the internet to enable clients to offer various receivables for sale to the Administrative Agent and for the loading approval and monitoring of such receivables on a platform, the terms of use of which are set out in Schedule C and are hereby incorporated herein.

“Proposed Repurchase Date” means, with respect to any Purchased Receivable, the date set forth in any notice delivered pursuant to Section 11.2 requiring the repurchase by the applicable Seller of such Purchased Receivable.

“Pro Rata Share” means, with respect to any Purchaser, the result (expressed as a percentage) of dividing the Commitment of such Purchaser by the Aggregate Commitments.

“Purchase Date” means, with respect to any Purchased Receivable, the date such Purchased Receivable is purchased by the Administrative Agent (on behalf of the Purchasers) pursuant to Section 2.1.

“Purchase Discount” means, with respect to any Receivable, the amount determined as the “Purchase Discount” in the calculation of the Purchase Price for such Receivable pursuant to Section 2.3.

“Purchase Document” means each of this Agreement, each Parent Guaranty, each Servicing Report and each fee letter, together with all other documents, instruments or agreements executed and delivered by a Seller or the Seller Representative to or for the benefit of the Administrative Agent or any Purchaser in connection herewith.

“Purchase Price” means, with respect to any Receivable, the amount determined as the “Discounted Purchase Price” or the “Adjusted Purchase Price,” as applicable, pursuant to Section 2.3.

“Purchased Receivable” means a Receivable purchased by the Administrative Agent (on behalf of the Purchasers) in accordance with the terms and conditions hereof; provided that a Receivable purchased hereunder and subsequently repurchased by the applicable Seller pursuant to the terms and conditions hereof shall, upon the Repurchase Date therefor and upon receipt by the Purchasers of the Repurchase Price therefor, cease to be a Purchased Receivable.

“Purchaser” means each Person listed on Schedule D and any other Person that shall become a party hereto pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

“Receivable” means the monetary obligation of an Obligor to a Seller arising under a Contract which is evidenced by an Invoice or, in the case of an Eligible Unbilled Receivable, other form of evidence reasonably acceptable to the Administrative Agent (in each case, including the right to receive payment of any interest or finance charges or other liabilities of such Obligor under such Contract), all Related Assets with respect thereto, and all Collections and other proceeds with respect to the foregoing.

“Reconciliation Date” means the Business Day immediately preceding each Settlement Date and each Termination Settlement Date.

“Refundable Discount Advance” as defined in Section 2.8(b).

“Refundable Discount Advance Account” as defined in Section 2.8(b).

“Related Assets” means, with respect to any Receivable (i) all related rights and remedies under or in connection with the applicable Contract, including bills of lading, bills of exchange, promissory notes and accessions, (ii) all guaranties, suretyships, letters of credit, security, liens and other arrangements supporting payment thereof, (iii) all applicable Sales Records (including electronic records), (iv) all related insurance, and (v) all proceeds of the foregoing.

“Remittance Account” means the account of the Seller Representative located at Bank of America, NA (ABA No. 111000012) with account number 4427274350, or such other account as notified to the Administrative Agent from time to time by the Seller Representative in writing.

“Repurchase Date” means, with respect to any Purchased Receivable, the date on which such Purchased Receivable is repurchased by the applicable Seller in accordance with the terms and conditions hereof.

“Repurchase Event” means, with respect to any Purchased Receivable: (i) any representation or warranty made by a Seller in Section 9.2 with respect to such Purchased Receivable shall be materially inaccurate, incorrect or untrue on any date as of which it is made or deemed to be made; (ii) a Dispute shall have occurred with respect to such Purchased Receivable; (iii) the breach of any covenant made by a Seller in Section 4.3, Section 5.1, Section 5.2 or Section 10.1 with respect to such Purchased Receivable; or (iv) the Administrative Agent elects to cause the applicable Seller to repurchase an Eligible Unbilled Receivable in accordance with Section 2.9 (A) following the Termination Date or (B) at such time following a Facility Suspension Event that the Commitments are reduced to zero.

“Repurchase Price” means, with respect to any Purchased Receivable, the amount determined as the “Repurchase Price” for such Purchased Receivable pursuant to Section 11.1.

“Required Purchasers” means, at any time, Purchasers whose Asset Interests represent in excess of 50% of the total value of all Asset Interests. The Asset Interests of any Defaulting Purchaser shall be disregarded for purposes of calculating the Required Purchasers.

“Restatement Date” means, subject to Section 8.1, the date of this Agreement.

“Retained Obligations” as defined in Section 4.2.

“Sales Records” means, with respect to any Receivable, the accounts, all sales ledgers, purchase and sales day books, sales invoices, supply contracts and other related books and records of a Seller relating to an Approved Obligor and on an individual Receivable basis for the purpose of identifying amounts paid or to be paid in respect of such Receivable.

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the Office of Foreign Asset Control of the U.S. Department of the Treasury or the U.S. Department of State, or (b) the United Nations Security Council, the European Union or Her Majesty’s Treasury of the United Kingdom.

“Seller” and “Sellers” as defined in the preamble hereto.

“Seller Account” means each Existing Account and each Collection Account.

“Seller Account Collateral” means collectively, (i) each Seller Account, and (ii) all checks, drafts, instruments, cash and other items at any time received for deposit into a Seller Account, wire transfers of funds, automated clearing house entries, credits from merchant card transactions and other electronic funds transfers or other funds deposited into, credited to, or held for deposit into or credit to, a Seller Account, but only to the extent that any such items referred to in this clause (ii) are Collections; provided that Seller Account Collateral shall not include Seller Funds.

“Seller Funds” means all checks, drafts, instruments, cash and other items that, in each case, are not Collections, and that at any time are received for deposit into a Seller Account.

“Seller Representative” as defined in Section 2.5.

“Servicer Replacement Event” means any of the following:

(a) the failure by the Seller Representative to issue an Invoice for an Eligible Unbilled Receivable in accordance with the terms of Section 2.9;

(b) the failure by the Seller Representative to submit a Servicing Report on any Reconciliation Date pursuant to the terms of this Agreement;

(c) the failure of a Seller to pay any amount due hereunder and such failure is not cured within two Business Days of the date on which the same shall be due and payable;

(d) the failure of the Administrative Agent to have a first priority security interest in any Existing Account or any Collection Account;

(e) the failure by a Seller to comply with any covenants set forth in Section 4.3, Section 5.1, Section 5.2, Section 6.1 and Section 10.1, where such failure is not cured within ten days after the earlier to occur of (i) written notice thereof having been given to such Seller by the Administrative Agent or any Purchaser or (ii) actual knowledge thereof by such Seller of such failure;

(f) the failure by a Seller to comply with any covenant in this Agreement not covered by clause (a), (b), (c), (d) or (e) above, where such failure is not cured within thirty days after the earlier to occur of (i) written notice thereof having been given to such Seller by the Administrative Agent or any Purchaser or (ii) actual knowledge thereof by such Seller of such failure;

(g) a material breach of any representation or warranty by a Seller hereunder;

(h) the occurrence of an Insolvency Event with respect to a Seller;

(i) the failure of a Seller or any Significant Subsidiary thereof to pay any principal of or premium or interest of any of its Debt or any payment obligation in respect of guarantees of a Seller or any Significant Subsidiary of Debt owed to any Person which is outstanding in a principal amount of at least \$250,000,000 in the aggregate (but excluding Debt arising under this Agreement) (collectively, “Material Indebtedness”), when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument evidencing such Material Indebtedness, if the effect of such event or condition is to accelerate, or to permit the acceleration of, the maturity of such Material Indebtedness; or any Material Indebtedness shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment or by a required prepayment of insurance proceeds or by a required prepayment as a result of formulas based on asset sales or excess cash flow), redeemed, purchased or defeased, or an offer to prepay, redeem, purchase or defease such Material Indebtedness shall be required to be made, in each case prior to the stated maturity thereof; provided that (i) if each of the Purchasers is a party, as creditor, under such Material Indebtedness and (ii) the creditors under such Material Indebtedness waive the applicable default giving rise to the Servicer Replacement Event under this clause (i), then such Servicer Replacement Event shall also be deemed waived without any further action by the Purchasers;

(j) the rendering of any judgment or order for the payment of money in excess of \$250,000,000 against a Seller or any Significant Subsidiary thereof that is not promptly paid by the Seller or such Significant Subsidiary and either enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; provided that any such judgment or order shall not be a Servicer Replacement Event as defined herein if and to the extent that (i) the amount of such judgment or order is covered by a valid and binding policy of insurance covering payment thereof, (ii) such insurer shall be rated at least "A.-" by A.M. Best Company and the Seller deems the claims recovery as "probable" in its financial statements and (iii) such insurer has been notified of, and has not disputed the claim made for payment of, the amount of such judgment or order; or

(k) the acquisition by any Person or two or more Persons acting in concert of beneficial ownership (within the meaning of Rule 13d-3 of the SEC under the Securities Exchange Act of 1934, as amended), directly or indirectly, of securities of any Seller (or other securities convertible into such securities) representing 35% or more of the combined voting power of all securities of any Seller entitled to vote in the election of directors, other than securities having such power only by reason of the happening of a contingency; provided that (i) the Spin-Off shall not be a Servicer Replacement Event as defined herein and (ii) if any Seller shall become a wholly owned Subsidiary of a publicly owned Person whose beneficial ownership is, immediately after the Seller shall become such a wholly owned subsidiary of such Person, substantially identical to that of any Seller immediately prior to such circumstance (a “Holding Company”), such circumstance shall not be a Servicer Replacement Event as defined herein unless the beneficial ownership of such Holding Company shall be acquired as set forth in this clause (k).

“Servicing Fee” as defined in Section 5.1.

“Servicing Report” means (a) at all times prior to the Termination Date, a servicing report in the form of Exhibit A-1 or, if permitted by Section 6.1, in the form of Exhibit A-2, as applicable, or otherwise in form and substance satisfactory to the Administrative Agent and the Seller Representative and (b) at all times on and following the Termination Date, a report in form and substance satisfactory to the Administrative Agent and the Seller Representative, and containing (without limitation) the following information: (i) a list clearly identifying all outstanding Purchased Receivables, (ii) the amount of all Collections received during the immediately preceding Settlement Period, together with details as to the Purchased Receivables in respect of which such Collections were received and (iii) aging reports with respect to each outstanding Purchased Receivable.

“Settlement Date” means each Tuesday and Thursday; provided, however, that (x) if a Settlement Date falls on a day that is not a Business Day, then the Settlement Date shall be the next following Business Day and (y) the final Settlement Date shall occur on the Business Day immediately preceding the Termination Date.

“Settlement Period” means the period from (but excluding) one Reconciliation Date to (and including) the immediately following Reconciliation Date.

“Shutdown of the U.S. Government” means the creation of a “funding gap” caused by the failure of the United States Congress to pass legislation funding U.S. Government operations in whole or in part affecting Approved Obligor(s), or the failure of any such legislation passed by the United States Congress to become law.

“Significant Subsidiary” means, at any time, any Subsidiary of any Seller which accounts for more than 5% of consolidated total assets or 5% of consolidated revenue of such Seller determined in accordance with GAAP.

“Spin-Off” means the implementation by CSC of a corporate restructuring in accordance with the Form 10 filed by CSC with the U.S. Securities and Exchange Commission on July 13, 2015 (as amended on August 17, 2015), which results in CSC no longer being the direct or

indirect parent of CSC Solutions.

“Subsidiary” means, with respect to any Person, any corporation, partnership, limited liability company, association, joint venture or other business entity of which more than 50% of the total voting power of shares of stock or other ownership interests entitled (without regard to the occurrence of any contingency) to vote in the election of the Person or Persons (whether directors, managers, trustees or other Persons performing similar functions) having the power to direct or cause the direction of the management and policies thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof; provided, in determining the percentage of ownership interests of any Person controlled by another Person, no ownership interest in the nature of a “qualifying share” of the former Person shall be deemed to be outstanding.

“Taxes” means all present and future income and other taxes, levies, imposts, deductions, charges, duties and withholdings and any charges of a similar nature imposed by any fiscal authority, together with any interest thereon and any penalties with respect thereto and any payments made on or in respect thereof; and “Taxation” and “Tax” shall be construed accordingly.

“Termination Date” means the earlier to occur of (i) August 18, 2017 or (ii) such time as the Commitments are terminated by the Administrative Agent or the Seller Representative in accordance with the terms of this Agreement.

“Termination Payment Amount” means, as of any given Termination Settlement Date, the *sum* of (a) the Funded Amount, (b) to the extent that the Aggregate Unreimbursed Purchase Discount has not been paid in full, the Accrued Aggregate Unreimbursed Purchase Discount and (c) any other amounts owing to the Administrative Agent or any Purchaser by a Seller under this Agreement as of such Termination Settlement Date.

“Termination Settlement Date” means the Termination Date, and each Tuesday and Thursday following the Termination Date; provided, however, that (a) if a Termination Settlement Date falls on a day that is not a Business Day, then the Termination Settlement Date shall be the next following Business Day, (b) the Administrative Agent may, by written notice to the Seller Representative, increase the frequency of Termination Settlement Dates (such that, in addition to each Tuesday and Thursday, a Termination Settlement Date may occur on a Monday, Wednesday and/or Friday, as directed by the Administrative Agent in its sole discretion) and (c) the final Termination Settlement Date shall occur on the Final Collection Date.

“Total Available Funding Amount” means the Aggregate Commitments minus the Total Outstanding Amount.

“Total Outstanding Amount” means, as of any date of determination, the result of (i) the Net Face Values of all Eligible Receivables (for each Purchased Receivable, such Net Face Value being determined as of the Purchase Date therefor) minus (ii) all Collections received and deposited in the Administrative Agent’s Account in connection with such Eligible Receivables.

“U.S. Government” means the federal government of the United States of America.

“UCC” means the Uniform Commercial Code as from time to time in effect in the State of New York; provided, if by reason of mandatory provisions of Law, the perfection, the effect of perfection or non-perfection or the priority of the security interests of the Administrative Agent is governed by the Uniform Commercial Code as in effect in a jurisdiction other than New York, the term “UCC” shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

“UCC Information” means the information set forth on Schedule B.

“Unused Fee” as defined in Section 3.6.

Section 1.1. Interpretation. In this Agreement, unless otherwise indicated, (a) defined terms may be used in the singular or the plural and the use of any gender includes all genders, (b) the words “hereof”, “herein”, “hereto”, “hereby” and “hereunder” refer to this entire Agreement, (c) all references to particular Sections, Exhibits or Schedules are references to the Sections, Exhibits or Schedules, as the case may be, of this Agreement, (d) all accounting terms not specifically defined herein shall be construed in accordance with GAAP, except as otherwise stated herein, (e) reference to any Person includes such Person’s successors and legal assigns, (f) in the computation of a period of time from a specified date to a later specified date, the word “from” shall mean “from and including” and the words “to” and “until” each shall mean “to but excluding”, and (g) reference to any agreement shall mean such agreement as amended, supplemented or otherwise modified from time to time.

SECTION 2. PURCHASE AND SALE; TERM.

Section 2.1. Purchase and Sale of Eligible Receivables.

(a) Subject to Section 14.23, on each Business Day prior to the Termination Date, each Seller will be deemed to offer to the Administrative Agent (on behalf of the Purchasers), and subject to the satisfaction of the conditions set forth in Section 8.2, the Administrative Agent will be deemed to purchase from each such Seller, without any further action on the part of such Seller, all of such Seller’s right, title and

interest in and to all outstanding Eligible Receivables of such Seller that have not previously been acquired (except to the extent that it was acquired and was subsequently the subject of a Deemed Repurchase) in whole by the Administrative Agent (on behalf of the Purchasers) hereunder. The deemed offer by each Seller to sell, assign and transfer all of its right, title and interest in and to all outstanding Eligible Receivables of each such Seller that have not previously been acquired (except to the extent that it was acquired and was subsequently the subject of a Deemed Repurchase) in whole by the Administrative Agent (on behalf of the Purchasers) hereunder is irrevocable and unconditional on the part of each such Seller and shall occur (without any further action by any such Seller) on each Business Day prior to the Termination Date.

(b) Subject to Section 2.2, on each Business Day prior to the Termination Date, the Administrative Agent shall be deemed to sell in accordance with the terms of this Agreement to each Purchaser, and each such Purchaser shall be deemed to purchase from the Administrative Agent, without recourse, an undivided percentage ownership interest (each an “Asset Interest”) equal to the Pro Rata Share of such Purchaser in and to each Purchased Receivable deemed purchased by the Administrative Agent on such day in accordance with clause (a) above. The deemed offer by the Administrative Agent to sell and the deemed offer by each Purchaser to purchase such Asset Interests hereunder is irrevocable and unconditional on the part of the Administrative Agent or such Purchaser and shall occur (without any further action by any party) on each Business Day prior to the Termination Date.

(c) The Purchasers desire that on the Restatement Date, the Asset Interests of the Purchasers shall be reallocated among all Purchasers (including the Purchasers added on the Restatement Date) such that the Asset Interests of each Purchaser in the outstanding Purchased Receivables on the Restatement Date shall be consistent with each Purchaser’s Pro Rata Share on the Restatement Date. In order to achieve such reallocation, BTMUNY, as Purchaser, hereby irrevocably sells, transfers and assigns to the other Purchasers, without recourse, representation or warranty of any kind, and each other Purchaser hereby agrees to purchase for cash, all of BTMUNY’s right, title and interest in that portion of its Asset Interests as shall be necessary to achieve such allocation. Such payments by such other Purchasers shall be made in such amounts and to such accounts as has been separately agreed among BTMUNY and such other Purchasers. From and after the Restatement Date and the receipt by BTMUNY of such amounts, each Purchaser shall own Asset Interests equal to its respective Pro Rata Share of the Purchased Receivables outstanding on the Restatement Date.

Section 2.2. Deemed Repurchase by the Sellers. Notwithstanding anything herein to the contrary, if the Administrative Agent does not, on or before 12:00 p.m. (New York time) on a given Settlement Date, receive from the Purchasers the full amount of the expected Payment Amount payable on such Settlement Date (a “Funding Deficiency”), then any positive Payment Amount for such Settlement Date will be reduced to \$0 in accordance with the definition thereof, and without any further action on the part of the Administrative Agent, any Purchaser or any Seller, the Net Face Value of Billed Receivables acquired by the Administrative Agent (on behalf of the Purchasers) during the immediately preceding Settlement Period will automatically be deemed to be repurchased by the relevant Seller (a “Deemed Repurchase”); provided, that nothing in this Section 2.2 shall cause any Receivables subject to a Deemed Repurchase to be ineligible for future sale by such Seller to the Administrative Agent (on behalf of the Purchasers) under Section 2.1.

Section 2.3. Purchase Price. The purchase price (the “Discounted Purchase Price”) for each Purchased Receivable purchased on any given Purchase Date will be calculated as follows:

$$\text{DPP} = \text{NFV} - \text{Purchase Discount, in which “Purchase Discount”} = \text{NFV} \times \text{DR} \times (\text{DP} / 360), \text{ in which:}$$

<u>Term</u>	<u>Definition</u>
“ <u>DPP</u> ” equals	Discounted Purchase Price of such Receivable
“ <u>NFV</u> ” equals	Net Face Value of such Receivable as of such Purchase Date
“ <u>DR</u> ” equals	Discount Rate applicable to such Receivable
“ <u>DP</u> ” equals	Discount Period applicable to such Receivable

Notwithstanding the foregoing, the Administrative Agent (on behalf of the Purchasers) may, in its sole and absolute discretion, elect to purchase a Receivable for an amount equal to such Receivable’s Net Face Value, as reduced by any amount (including any Accrued Aggregate Unreimbursed Purchase Discount) then due and payable by a Seller to the Administrative Agent or any Purchaser hereunder (such amount, the “Adjusted Purchase Price”). In this event, an amount equal to the Accrued Aggregate Unreimbursed Purchase Discount for such Purchased Receivable will be payable by the Seller Representative on each Settlement Date and each Termination Settlement Date until such time as the Aggregate Unreimbursed Purchase Discount or such Purchased Receivable has been paid in full. The Seller shall not be entitled to set-off its obligation to pay the Aggregate Unreimbursed Purchase Discount (or any portion thereof) against the Refundable Discount Advance.

With respect to each Purchased Receivable, the Purchase Price thereof shall be payable by the Administrative Agent (on behalf of the Purchasers) to the Seller Representative (on behalf of the relevant Seller) by deposit into the Remittance Account on the Settlement Date immediately following the Settlement Period during which such Purchased Receivable was purchased. Notwithstanding the foregoing, the Purchase Price shall be subject to netting and set-off as provided for under Section 5.6.

Section 2.4. Maximum Funded Amount; Payment Amount; Termination Payment Amount.

(b) Following the determination of the Payment Amount, and in accordance with Section 5.7, on each Settlement Date (x) if the Payment Amount is positive, the Administrative Agent (on behalf of the Purchasers) shall pay the full amount thereof to the Seller Representative, and upon payment of such amount, the Administrative Agent's payment obligations with respect to the Purchased Receivables acquired during the Settlement Period ending immediately prior to such Settlement Date shall be satisfied in full and (y) if the Payment Amount is negative, the Seller Representative shall pay the full absolute value thereof to the Administrative Agent (for the benefit of the Purchasers) by deposit into the Administrative Agent's Account. Furthermore, in connection with Sections 3.5 and 3.6, the Administration Fee and the Unused Fee payable by the Seller Representative on each Settlement Date shall be set-off against any positive Payment Amount payable by the Administrative Agent (and the surplus of the Administration Fee and Unused Fee, if any, after effecting such set-off shall be payable by the Seller Representative to the Administrative Agent), and the absolute value of any negative Payment Amount payable by the Seller Representative shall be combined with the Administration Fee and Unused Fee payable on such Settlement Date (such that both amounts will be paid simultaneously to the Administrative Agent).

(c) Following the determination of the Termination Payment Amount, and in accordance with Section 5.7, on each Termination Settlement Date until the Funded Amount has been reduced to zero and all other amounts payable to the Administrative Agent and the Purchasers by the Sellers hereunder have been paid in full, the Seller Representative shall pay the full amount of the Termination Payment Amount to the Administrative Agent by deposit into the Administrative Agent's Account. Furthermore, in connection with Sections 3.5, the Administration Fee payable by the Seller Representative on each Termination Settlement Date shall be combined with the Termination Payment Amount payable on such Termination Settlement Date (such that both amounts will be paid simultaneously to the Administrative Agent).

Section 2.5. Seller Representative. Each Seller hereby appoints CSC Solutions as its agent, attorney-in-fact and representative (in such capacity, the "Seller Representative"), and CSC Solutions accepts such appointment, for the purpose of (i) making any requests required under this Agreement, (ii) the receipt of any notice of required repurchase pursuant to Section 11.2, (iii) the giving and receipt of any other notices to, or demand of, any Seller under this Agreement, (iv) the delivery of all documents, reports, financial statements and written materials required to be delivered by any Seller under this Agreement, (v) the receipt of all payments owing to a Seller hereunder, together with the subsequent allocation of such payment proceeds between the Sellers, (vi) taking any and all other actions required to be undertaken hereunder by the Seller Representative, and (vii) all other purposes incidental to any of the foregoing. Each Seller agrees that any action taken by the Seller Representative as the agent, attorney-in-fact and representative of each such Seller shall be binding upon it, as applicable, to the same extent as if directly taken by such Seller, as applicable. CSC hereby resigns its previous appointment as Seller Representative under the Original Purchase Agreement. CSC Solutions hereby assumes all obligations of CSC as Seller Representative under the Original Purchase Agreement.

Section 2.6. Termination and Reduction of Commitments.

(a) In addition, the Seller Representative may terminate or reduce permanently the Commitments of the Purchasers in its sole discretion at any time by delivering thirty days prior written notice to the Administrative Agent and the Purchasers; provided that, (i) if the Commitments are terminated in full, the Termination Date shall be the first Business Day following such thirty-day period, (ii) if the Commitments are reduced, such reduction shall be effective on the first Business Day following such thirty-day period, (iii) each reduction of Commitments shall be in a minimum amount of \$50,000,000 or in an integral multiple of \$1,000,000 in excess thereof, (iv) no reduction of the Commitment may cause the Aggregate Commitments to be less than the greater of \$200,000,000 and the Funded Amount and (v) each reduction in the Commitments shall be made ratably among the Purchasers in accordance with their respective Pro Rata Share. Once reduced or terminated, the Commitments may not be reinstated.

(b) Upon the occurrence of a Facility Suspension Event, the Administrative Agent may, and at the direction of the Required Purchasers, shall, terminate the Commitments of the Purchasers at any time by providing written notice of such termination to the Seller Representative (in which case the Termination Date shall be the day specified as such in the written notice, which may be the date upon which such written notice is received by the Seller Representative (or, in each case, if such date is not a Business Day, the Termination Date shall be the immediately following Business Day)). Notwithstanding the foregoing, the occurrence of the Termination Date will have no effect on any rights or obligations hereunder in respect of any Purchased Receivables outstanding as of the Termination Date and all covenants, representations and warranties, repurchase obligations and indemnities made herein shall continue in full force and effect so long as any Purchased Receivables remain outstanding.

Section 2.7. Effect of Termination Date.

(a) For the sake of clarity, the parties agree that, at all times on and following the Termination Date:

(i) Except to the extent otherwise removed in accordance with Section 5, each Seller shall continue to service and administer the Purchased Receivables sold by it as agent for the Administrative Agent and the Purchasers, all on terms further set out in this Agreement.

(ii) The Seller Representative shall continue to pay the Accrued Aggregate Unreimbursed Purchase Discount on each Termination Settlement Date until the Aggregate Unreimbursed Purchase Discount has been paid in full to the Administrative Agent (for the benefit of the Purchasers) by deposit into the Administrative Agent's Account. The Refundable Discount Advance will be promptly repaid by the Administrative Agent to the Seller Representative upon payment in full by the Seller Representative of the Aggregate Unreimbursed Purchase Discount in accordance with Section 2.8.

Section 2.8. Aggregate Unreimbursed Purchase Discount; Refundable Discount Advance.

(a) The Aggregate Unreimbursed Purchase Discount shall be payable in full by the Seller Representative on the Final Maturity Date; provided, however, that following the occurrence of the Termination Date, if a Seller's appointment as servicer hereunder is terminated by the Administrative Agent as the result of a Facility Suspension Event, the Administrative Agent may, and at the direction of the Required Purchasers, shall, by written notice to the Seller Representative, demand payment in full of the Aggregate Unreimbursed Purchase Discount. In any such case, the Seller Representative shall pay the Aggregate Unreimbursed Purchase Discount to the Administrative Agent (for the benefit of the Purchasers) on the date designated for such payment in the written notice from the Administrative Agent (which date must be at least one Business Day following the date upon which such written notice is received by the Seller Representative) by deposit into the Administrative Agent's Account. The parties hereto agree that the Seller Representative's obligation to pay the Aggregate Unreimbursed Purchase Discount is not credit recourse for any failure of an Approved Obligor to pay the full outstanding balance of any Purchased Receivable, but rather is an obligation to reimburse the Administrative Agent and the Purchasers for electing not to deduct the Purchase Discount from the Purchase Price with respect to the applicable Purchased Receivables for the purpose of administrative convenience.

(b) The Seller Representative has paid to the Administrative Agent a refundable purchase discount advance (the "Refundable Discount Advance") equal to 0.40% of the Aggregate Commitments on or prior to the Restatement Date. The Refundable Discount Advance shall be held in a blocked account established with the Administrative Agent and maintained in the name of the Seller Representative (the "Refundable Discount Advance Account"). The Refundable Discount Advance Account shall at all times be blocked with respect to the Seller Representative, such that only the Administrative Agent will be permitted to transfer funds out of the Refundable Discount Advance Account. Subject to repayment in full of the Aggregate Unreimbursed Purchase Discount, the Administrative Agent will promptly repay the Refundable Discount Advance to the Seller Representative by deposit into the Remittance Account; provided, however, that if the Seller Representative has not paid the Aggregate Unreimbursed Purchase Discount in full as of the Final Maturity Date (or any such earlier date as required by Section 2.8(a)), the Administrative Agent may set-off the Refundable Discount Advance against the unpaid balance of the Aggregate Unreimbursed Purchase Discount, and upon doing so, the Administrative Agent will promptly repay the excess Refundable Discount Advance (if any) to the Seller Representative by deposit into the Remittance Account.

Section 2.9. Eligible Unbilled Receivables. The Seller Representative shall procure that each Eligible Unbilled Receivable sold, transferred and assigned to the Administrative Agent hereunder will be the subject of an Invoice as soon as reasonably practicable, and in any event within ten (10) Business Days following the Seller Representative's receipt of a written request to issue such Invoice from the Administrative Agent; provided, however, that if any Approved Obligor becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due, the Seller Representative shall promptly (and in any event, within five (5) Business Days) issue an Invoice for each Purchased Receivable that is an Eligible Unbilled Receivable payable by such Approved Obligor, and shall provide the Administrative Agent with a copy of each such Invoice. In the event of the occurrence of the Termination Date or a revocation of the Purchasers' approval of any Approved Obligor pursuant to Section 14.22, the Administrative Agent shall have the option to (i) retain ownership of any Eligible Unbilled Receivable and/or (ii) at any time following such termination or revocation, but solely to the extent that an Approved Obligor Termination Event has not occurred with respect to the Approved Obligor of the applicable Eligible Unbilled Receivable, cause the applicable Seller to repurchase such Eligible Unbilled Receivable from the Administrative Agent pursuant to Section 11. The Administrative Agent shall promptly inform the Seller Representative following any such termination or revocation of its decision to either retain ownership or cause a Repurchase Event with respect to any such Eligible Unbilled Receivable. In the event that the Administrative Agent elects to retain ownership of any Eligible Unbilled Receivable after the Termination Date or the revocation of the Purchasers' approval of any Approved Obligor pursuant to Section 14.22, the Seller Representative shall promptly (and in any event, within five (5) Business Days) issue an Invoice for any such retained Eligible Unbilled Receivable. Upon issuance by the relevant Seller of an Invoice for a Purchased Receivable that is an Eligible Unbilled Receivable, such Purchased Receivable shall immediately become a Billed Receivable for purposes hereof (the date upon which such Purchased Receivable becomes a Billed Receivable, the "Conversion Date").

Section 2.10. [Reserved].

Section 2.11. Defaulting Purchaser Provisions.

(a) *Replacement of Defaulting Purchaser.* If any Purchaser is a Defaulting Purchaser, then (i) the Seller Representative, upon notice to the Administrative Agent or the Administrative Agent upon notice to the Seller Representative, and the Purchasers, may require such Defaulting Purchaser to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 14.6), all of its interests, rights (other than its existing rights to payments pursuant to Sections 3.3, 12.1 or 14.1) and obligations under this Agreement and the related Purchase Documents to one or more permitted assignee that shall assume such obligations (which assignee may be another Purchaser, if such Purchaser accepts such assignment); provided that (i) such Purchaser shall have received payment of an amount equal to its outstanding Asset Interests, accrued fees and all other amounts payable to it hereunder and under the other Purchase Documents and (ii) such assignment does not conflict with applicable Law. Each Purchaser hereby grants to the Administrative Agent an irrevocable power of attorney (which power is coupled with an interest) to execute and deliver, on behalf of such Purchaser if such Purchaser becomes a Defaulting Purchaser, as assignor, any Assignment and Assumption necessary to effect any assignment of such Defaulting Purchaser's interests hereunder in the circumstances contemplated by this Section 2.11(a). Each Purchaser agrees that if the Seller Representative or the Administrative Agent exercises its option hereunder to cause an assignment by such Purchaser if such Purchaser becomes a Defaulting Purchaser, such Defaulting Purchaser shall, promptly after receipt of written notice of such election, execute and deliver all documentation necessary to effect such assignment in accordance with Section 14.6. In the event that a Purchaser does not comply with the requirements of the immediately preceding sentence within one Business Day after receipt of such notice, each Purchaser hereby authorizes and directs the Administrative Agent to execute and deliver such documentation as may be required to give effect to an assignment in accordance with Section 14.6 on behalf of such Defaulting Purchaser and any such documentation so executed by the Administrative Agent shall be effective for purposes of documenting an assignment pursuant to Section 14.6.

(b) *Defaulting Purchaser Adjustments.* Notwithstanding anything to the contrary contained in this Agreement, if any Purchaser becomes a Defaulting Purchaser, then, until such time as such Purchaser is no longer a Defaulting Purchaser, to the extent permitted by applicable Law (i) such Defaulting Purchaser's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement or any other Purchase Document shall be restricted as set forth in the definition of Required Purchasers and (ii) no Defaulting Purchaser shall be entitled to receive any Unused Fee pursuant to Section 3.6 for any period during which that Purchaser is a Defaulting Purchaser (and the Sellers shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Purchaser).

(c) *Defaulting Purchaser Cure.* If the Seller Representative and the Administrative Agent agree in writing that a Purchaser is no longer a Defaulting Purchaser, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, such Purchaser will take such actions as the Administrative Agent may determine to be necessary (which may include a requirement for such Purchaser to purchase certain Asset Interests from the other Purchasers in order to equalize all such Asset Interests in accordance with the Pro Rata Shares of the Purchasers as in effect immediately prior to any assignment that occurred as a result of such Purchaser becoming a Defaulting Purchaser), whereupon such Purchaser will cease to be a Defaulting Purchaser; provided that no adjustment will be made retroactively with respect to fees accrued or payments made by or on behalf of the Sellers while that Purchaser was a Defaulting Purchaser; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Purchaser to Purchaser will constitute a waiver or release of any claim of any party hereunder arising from that Purchaser's having been a Defaulting Purchaser.

SECTION 3. FEES; LATE PAYMENT AMOUNT.

Section 3.1. Late Payment Amount. In the event that any amount payable by any Seller hereunder or under any of the other Purchase Documents remains unpaid for any reason for five (5) Business Days after the Administrative Agent provides notice to the Seller Representative that such amounts are past due, the Administrative Agent shall charge (for its benefit or the benefit of the Purchasers, as applicable), and such Seller shall pay, an amount (the "Late Payment Amount") equal to (x) such unpaid amount due from such Seller to the Administrative Agent or the Purchasers during the period from (and including) the due date thereof to, but excluding the date payment is received by the Administrative Agent in full, times (y) a rate *per annum* equal to the Prime Commercial Rate, computed on the basis of a 360 day year, and for actual days elapsed. Late Payment Amounts shall be payable on demand and, if no prior demand is made, on the last Business Day of each calendar month.

Section 3.2. Payments Generally. All payments to be made under any Purchase Document or in respect of a Purchased Receivable, shall be made in immediately available funds. Any amounts that would fall due for payment on a day other than a Business Day shall be payable on the succeeding Business Day, and interest calculations, if any, shall be adjusted accordingly for such later or earlier payment. All amounts payable by any Seller or the Seller Representative to the Administrative Agent or any Purchaser pursuant to or in connection with any Purchase Document shall be paid in full, free and clear of all deductions, set-off or withholdings whatsoever except only as may be required by Law, and shall be paid on the date such amount is due no later than 1:00 p.m. (New York City time) to the Administrative Agent's Account. Any amount to be paid by the Administrative Agent or any Purchaser to any Seller or the Seller Representative under any Purchase Document shall be paid to the Seller Representative by deposit into the Remittance Account, and shall be paid on the date such amount is due no later than 5:00 p.m. (New York City time).

Section 3.3. Breakage. Each Seller agrees, jointly and severally, to indemnify the Administrative Agent and each Purchaser on demand against any loss or expense (including, but not limited to, any loss or expense sustained or incurred or to be sustained or incurred by a Purchaser in liquidating or employing deposits acquired or contracted for to effect or maintain its acquisition of its Asset Interest in Purchased Receivables or any part thereof, but excluding, for the avoidance of doubt, the loss of any anticipated profits) which the Administrative Agent or such Purchaser has sustained or incurred as a consequence of (a) the non-fulfillment of any of the conditions precedent described in Section 8.2 or otherwise or (b) a repurchase of Purchased Receivables by the Seller; provided, that no Seller shall be obligated to indemnify any Purchaser pursuant to this provision if such loss or expense is caused by such Purchaser's failure to fund its Pro Rata Share of the applicable Payment Amount.

Section 3.4. Ratable Sharing. If any Purchaser shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any Purchased Receivable or other obligations hereunder resulting in such Purchaser receiving payment of a proportion of the aggregate amount payable under any Purchased Receivable to such Purchaser greater than its Asset Interest would warrant as provided herein, then such Purchaser receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash) participations in the other Purchasers' Asset Interests (not in excess of the applicable Purchase Price thereof), or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Purchasers ratably in accordance with the aggregate amount owing to them; provided: (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and (ii) the provisions of this Section shall not be construed to apply to (A) any payment made by a Seller pursuant to and in accordance with the express terms hereof, or (B) any payment obtained by a Purchaser as consideration for the assignment of or sale of a participation in any of its Purchased Receivables to any assignee or participant including, without limitation, any assignments effectuated pursuant to Section 2.1(c). Each Seller consents to the foregoing and agrees, to the extent it may effectively do so under applicable Law, that any Purchaser acquiring a participation pursuant to the foregoing arrangements may exercise against such Seller rights of setoff and counterclaim with respect to such participation as fully as if such Purchaser were a direct creditor of such Seller in the amount of such participation.

Section 3.5. Payment of Administration Fee. On each Settlement Date and each Termination Settlement Date, the Seller Representative shall pay to the Administrative agent, for its own account, an administration fee (the "Administration Fee") in an amount equal to:

AF = FA x R x (SP / 360), in which:

<u>Term</u>	<u>Definition</u>
" <u>AF</u> " equals	The Administration Fee payable on a given Settlement Date or Termination Settlement Date, as applicable
" <u>FA</u> " equals	The Funded Amount as of the immediately preceding Settlement Date or Termination Settlement Date, as applicable
" <u>R</u> " equals	A rate of 0.05% per annum
" <u>SP</u> " equals	The Settlement Period ending immediately prior to the Settlement Date or Termination Settlement Date, as applicable, on which the Administration Fee is payable

Section 3.6. Unused Fee. On each Settlement Date, the Seller Representative shall pay to the Administrative Agent, for the benefit of the Purchasers, an unused commitment fee (the "Unused Fee") in an amount equal to:

UF = (AC - FA) x R x (SP / 360), in which:

<u>Term</u>	<u>Definition</u>
" <u>UF</u> " equals	The Unused Fee payable on a given Settlement Date
" <u>AC</u> " equals	The Aggregate Commitments as of the immediately preceding Settlement Date
" <u>FA</u> " equals	The Funded Amount as of the immediately preceding Settlement Date
" <u>R</u> " equals	A rate of 0.20% per annum
" <u>SP</u> " equals	The Settlement Period ending immediately prior to the Settlement Date on which the Unused Fee is payable

The Unused Fee distributable by the Administrative Agent to each Purchaser on each Settlement Date for each day during the preceding Settlement Period shall be equal to such Purchaser's Pro Rata Share of the Unused Fee earned for such day.

SECTION 4. NATURE OF FACILITY.

Section 4.1. True Sale. The parties hereto agree that each purchase and sale of Receivables under this Agreement is intended to be an absolute and irrevocable transfer constituting a "true sale" for bankruptcy law purposes, without recourse by the Administrative Agent or the Purchasers to any Seller for any credit risk or financial inability to pay of any Obligor. The parties hereto have structured the transactions contemplated by this Agreement as a sale, and each party hereto agrees to treat each such transaction as a "true sale" for all purposes under applicable law and accounting principles, including, without limitation, in their respective books, records, computer files, tax returns (federal, state and local), regulatory and governmental filings (and shall reflect such sale in their respective financial statements). Each Seller will advise all Persons inquiring about the ownership of the Receivables that all Purchased Receivables have been sold to the Administrative Agent on behalf of the Purchasers. Against the possibility that, contrary to the mutual intent of the parties, the purchase of any Receivable is not characterized as a sale by any applicable court, each Seller hereby grants to the Administrative Agent (for the benefit of the Purchasers) a security interest in, and right of setoff with respect to, all of the Purchased Receivables to secure the payment and performance of the Seller's payment and performance obligations hereunder and under each other Purchase Document. The grant of this security interest is a supplemental protection to the Administrative Agent and the Purchasers and is not meant to negate or affect in any way the intended sale of the Receivables by the Sellers to the Administrative Agent on behalf of the Purchasers. In addition, each Seller hereby grants to the Administrative Agent, for the benefit of the Purchasers, a security interest in, and right of setoff with respect to, all of the Seller Account Collateral related to such Seller and all proceeds thereof to secure the payment and performance of the Seller's payment and performance obligations hereunder and under each other Purchase Document. Furthermore, the Seller Representative hereby grants to the Administrative Agent (for the benefit of the Purchasers) a security interest in, and right of setoff with respect to, the Refundable Discount Advance Account and all proceeds therein to secure the payment of the Aggregate Unreimbursed Purchase Discount by each Seller hereunder. The Administrative Agent is hereby authorized to file UCC financing statements with respect to the transactions contemplated hereunder, including the security interests granted herein, together with any continuations and amendments relating thereto.

Section 4.2. No Liability. Notwithstanding anything herein to the contrary, Seller Representative and each Seller hereby acknowledges and agrees that neither the Administrative Agent nor any Purchaser shall be in any way responsible for the performance of any Contract and no such Person shall have any obligation to intervene in any Dispute arising out of the performance of any Contract. All obligations of a Seller as seller of the Goods and Services and provider of any related services, including, without limitation, all obligations of such Seller as seller under the Contracts, all representations and warranty obligations, all servicing obligations, all maintenance obligations, and all delivery, transport and insurance obligations, shall be retained by such Seller (the "Retained Obligations"). Any claim which a Seller may have against an Obligor or any other party, and/or the failure of an Obligor to fulfill its obligations under the applicable Contract, shall not affect the obligations of such Seller to perform its obligations and make payments hereunder, and shall not be used as a defense or as set-off, counterclaim or cross-complaint as against the performance or payment of any of its obligations.

Section 4.3. Further Assurances. Seller Representative and each Seller agrees that from time to time, at its expense, it will promptly execute and deliver all further instruments and documents, and take all further action, that the Administrative Agent or any Purchaser may reasonably request in order to perfect, protect or more fully evidence or implement the transactions contemplated hereby, or to enable the Administrative Agent or any Purchaser to exercise or enforce any of its rights with respect to the Purchased Receivables, including, in the case of a Facility Suspension Event and/or a Non-Payment Event, any action reasonably requested by the Administrative Agent or any Purchaser in order to make the sale, assignment and transfer of any Purchased Receivables compliant with FACA.

SECTION 5. SERVICER; PURCHASER FUNDING; DISTRIBUTION FROM COLLECTION ACCOUNTS.

Section 5.1. Appointment of each Seller as a Servicer. Each Seller hereby agrees to service and administer the Purchased Receivables sold by it as agent for the Administrative Agent and the Purchasers, all on the terms set out in this Agreement. Each Seller shall use its commercially reasonable efforts to collect each Purchased Receivable sold by it as if such Purchased Receivable had not been purchased by the Administrative Agent on behalf of the Purchasers. Each Seller agrees that such Seller shall cooperate with the Administrative Agent and shall take any and all commercially reasonable actions requested by the Administrative Agent including, without limitation, initiating appropriate legal proceedings and exercising all rights and remedies that may be available to the Seller under its commercial arrangements with the Approved Obligors, in each case, in connection with collecting and recovering all amounts owed by any Approved Obligor with respect to such Purchased Receivable. The Administrative Agent (on behalf of the Purchasers) agrees to pay the reasonable costs and expenses (including reasonable attorney's fees and expenses) incurred by each Seller in connection with the performance by each such Seller of the actions requested by the Administrative Agent and specified in the immediately preceding sentence, provided, however, that the Administrative Agent shall not be responsible for any costs and/or expenses of any Seller with respect to (i) the preservation of any rights of, or the exercise of any rights by, the Administrative Agent under, or the enforcement (whether through legal proceedings or otherwise) of, this Agreement against any Seller and (ii) actions necessary for a Seller to perform its representations, warranties, covenants and agreements contained in this Agreement (it being understood that any such costs and expenses shall be for the account of the Sellers). Without limiting the foregoing, each Seller agrees

to devote to the servicing of Purchased Receivables at least the same amount of time and attention, and to exercise at least the same level of skill, care and diligence in such servicing, as if each Seller were servicing Receivables legally and beneficially owned by it. Each Purchaser shall pay each Seller a Servicing Fee as consideration for the performance of such obligations as servicer under this [Section 5.1](#) and this Agreement. Within ten (10) days following the end of each calendar month, the Seller Representative shall submit to the Administrative Agent and each Purchaser, on behalf of each Seller, an invoice for the Servicing Fee accrued during such calendar month. All fees and charges reflected in such invoice are due and payable within ten (10) Business Days of the date of receipt of the Seller Representative's invoice by the Administrative Agent and the Purchasers. In respect of each calendar month, the "[Servicing Fee](#)" shall be an amount equal to:

Where:

<u>Term</u>	<u>Definition</u>
"n" equals	The total number of Settlement Periods that commence during the relevant calendar month
" TOA " equals	Total Outstanding Amount of all Purchased Receivables as of the first day of the relevant Settlement Period
" Rate " equals	0.03% per annum
" Y " equals	The number of days in the relevant Settlement Period

Section 5.2. Servicing Covenants. Each Seller covenants and agrees, in connection with its servicing obligations pursuant to [Section 5.1](#), (i) that the payment instructions currently in force and provided to each Approved Obligor specify that each such Approved Obligor shall pay all amounts owing under the Purchased Receivables to the applicable Existing Account, (ii) not to change such payment instructions while any Purchased Receivable remains outstanding without the Administrative Agent's prior consent, (iii) that it shall keep accurate books and records with respect to each relevant Seller Account, clearly identifying the source of all amounts deposited and otherwise held therein, and (iv) to take any and all other commercially reasonable actions, including such commercially reasonable actions as may be requested by the Administrative Agent from time to time, to (a) recover and enforce payment of any defaulted Purchased Receivable and (b) ensure that all amounts owing under the Purchased Receivables be deposited by the Approved Obligors exclusively to the applicable Existing Account or as otherwise instructed by the Administrative Agent. Each Seller further covenants and agrees (A) that at all times on or prior to the Final Collection Date, all Collections and other funds received into any Existing Account will be swept (on a same-day basis) in immediately available funds to a Collection Account; provided that any amounts credited to any Existing Account after 2:00 p.m. New York time on any Business Day shall be deemed received on the next following Business Day, (B) upon receipt into a Collection Account of any Collections and other funds swept from an Existing Account, such Seller shall identify and reconcile such funds with its books and records, (C) not to give instructions to any other Person to pay any amounts into any Collection Account and (D) to take any and all other commercially reasonable actions, including commercially reasonable actions as may be requested by the Administrative Agent from time to time, to ensure that all Collections will be transferred from the applicable Existing Account to a Collection Account within such one Business Day period, and that amounts deposited in or otherwise standing to the credit of a Collection Account will be disbursed in accordance with the provisions of [Section 5.7](#). Any payment by an Approved Obligor of any amount owing under any Purchased Receivable that is not paid to the applicable Seller Account and is received by the applicable Seller directly shall be held in trust by such Seller as the Purchasers' exclusive property, such funds shall be safeguarded for the benefit of the Purchasers, and such funds shall promptly, and in any event within two Business Days of receipt thereof, be transferred by wire transfer to a Collection Account. No Seller shall, directly or indirectly, utilize such funds for its own purposes, nor shall any Seller have any right to pledge such funds as collateral for any obligations of any Seller or any other party. Collections shall not be deemed received by the Administrative Agent for purposes of this Agreement until credited to the Administrative Agent's Account as immediately available funds or otherwise actually received by the Administrative Agent.

Section 5.3. Unidentified Collections on Receivables; Return of Collections.

(a) If any payment is received by a Seller from an Approved Obligor, and such payment is not identified by such Approved Obligor as relating to a particular Receivable or Purchased Receivable and cannot otherwise be reasonably identified as relating to a particular Receivable or Purchased Receivable, such Seller will first attempt to confer with the Approved Obligor to identify the Receivable(s) to which such payment should be applied. In the event such Seller is unable to identify within two (2) Business Days the Receivable(s) to which such payment should be applied, the Seller Representative and the Administrative Agent will negotiate in good faith as to the allocation of such payment, and once the allocation of any such payment has been agreed by the Seller Representative and the Administrative Agent, such allocated payment shall be considered to be relating to the particular Receivable or Purchased Receivable agreed upon by the Seller Representative and the Administrative Agent. To the extent the preceding sentence results in collections received by a Seller being deemed

collections on a Purchased Receivable, such Seller shall promptly, and in any event within two (2) Business Days, deposit such collections into a Collection Account for application in accordance with the provisions of Section 5.7.

(b) If following the application of any funds in a Collection Account which is deemed to be collections on a Purchased Receivable pursuant to this Section, such payment is identified by the applicable Seller to the reasonable satisfaction of the Administrative Agent as being payment on a Receivable which is not a Purchased Receivable, then the Administrative Agent shall promptly, and in any event within one Business Day of such identification, repay such amount to the applicable Seller, in immediately available funds, by deposit to the Remittance Account for the benefit of such Seller.

Section 5.4. Past Due Receivables. In the event a Purchased Receivable that is a Billed Receivable has not been paid in full by the date that is thirty (30) days after the Maturity Date therefor (an “Overdue Receivable”), the applicable Seller shall determine the cause of such payment delay or non-payment, including whether it is due to a Dispute, and the applicable Seller shall deliver to the Administrative Agent and each Purchaser by no later than the third Business Day following such thirty-day period, a certification and report (a “Non-Payment Report”) identifying the Overdue Receivable and the Approved Obligor thereof and describing in reasonable detail the cause of such non-payment, including whether a Dispute exists with respect to such Overdue Receivable, or certifying that such cause is unknown. In the event that a Purchased Receivable that was sold hereunder has not been paid in full by the date that is fifty (50) days after the Maturity Date therefor and no Non-Payment Report with respect thereto has been delivered or the Non-Payment Report delivered with respect thereto does not report a Dispute or states that the cause of such payment delay or non-payment is unknown (a “Non-Payment Event”), the Administrative Agent may in its sole discretion (a) contact such Approved Obligor by phone or in person to discuss the status of such Overdue Receivable and to inquire whether such payment delay or non-payment is due to a Dispute and when payment can be expected and/or (b) take any other lawful action to collect such Purchased Receivable directly from such Approved Obligor and/or (c) terminate the appointment of the applicable Seller as its servicer and agent solely for the purposes of servicing such Purchased Receivable. If the Approved Obligor advises the Administrative Agent and the Purchasers of the existence of a Dispute, the Administrative Agent shall advise the applicable Seller of such Overdue Receivable that the Approved Obligor has asserted a Dispute.

Section 5.5. Termination of Appointment. Upon the occurrence of any Servicer Replacement Event, the Administrative Agent may, in its discretion, or shall at the election of the Required Purchasers (i) take any lawful action to collect any Purchased Receivable purchased from such Seller directly from the respective Approved Obligors, and/or (ii) terminate the appointment of such Seller as its servicer and agent for the servicing of the Purchased Receivables, and/or (iii) take any steps required to obtain or exercise exclusive control over any Seller Account related to such Seller (including the delivery of a “notice of exclusive control” (howsoever defined) to the relevant depository bank). In addition, (1) if any Approved Obligor becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due, the Administrative Agent may, in its discretion, or shall at the election of the Required Purchasers (i) take any lawful action to collect any Purchased Receivable directly from such Approved Obligor, and/or (ii) terminate the applicable Seller as its servicer and agent solely for the purpose of servicing of the Purchased Receivables of such Approved Obligor and (2) upon the occurrence of a Non-Payment Event, the Administrative Agent may, in its discretion, or shall at the election of the Required Purchasers (i) take any lawful action to collect the relevant Purchased Receivables subject to such Non-Payment Event directly from such Approved Obligor, and/or (ii) terminate the applicable Seller as its servicer and agent solely for the purpose of servicing of the Purchased Receivables subject to such Non-Payment Event. In the event of any termination of any Seller as servicer with respect to any Purchased Receivable, (A) each Seller agrees to take action reasonably requested by the Administrative Agent in order to make the sale, assignment and transfer of the applicable Purchased Receivables compliant with FACA and to provide the Administrative Agent with all underlying documentation that the Administrative Agent may reasonably require in order to enable the Administrative Agent to enforce the payment obligation of any Approved Obligor with respect to a Purchased Receivable, (B) the Administrative Agent may, but shall not be obligated to, notify each applicable Approved Obligor of the transfers hereunder and direct each applicable Approved Obligor to make payments as the Administrative Agent may elect or desire, and (C) no Seller shall interfere with such servicing or collection of such Purchased Receivable or attempt to receive or make collection from any Approved Obligor in respect of such Purchased Receivable. In addition, each Seller hereby grants to the Administrative Agent an irrevocable power of attorney (coupled with an interest) authorizing and permitting the Administrative Agent, at its option, with or without notice to any Seller, to do any one of the following that are necessary, in the determination of the Administrative Agent, to collect amounts due with respect to any Purchased Receivable and to otherwise direct any one or more Approved Obligors to make payment directly to an account of the Administrative Agent at any time following a Non-Payment Event or a Servicer Replacement Event: (I) endorsing the name of such Seller upon any check or other instrument, document or agreement with respect to any Purchased Receivable; (II) endorsing the name of such Seller on any freight or express bill or bill of lading relating to any Purchased Receivable; (III) deliver and execute any documents and provide any information, in each case, as may be required in order to make the sale, assignment and transfer of any Purchased Receivables compliant with FACA; (IV) take any lawful action to enforce and otherwise collect any Purchased Receivable directly from such Approved Obligor; and (V) taking all action as the Administrative Agent deems appropriate in connection with the foregoing. Each Seller agrees that the Administrative Agent will not be liable for any acts of commission or omission or for any error of judgment or mistake of fact or Law in connection with the exercise of such power of attorney except to the extent the same constitutes gross negligence or willful misconduct.

Section 5.6. Purchaser Funding Obligations.

(a) *Purchaser Report.* To the extent previously received by the Administrative Agent pursuant to the terms of this Agreement, on or before 4:00 p.m. (New York time) on each Reconciliation Date, the Administrative Agent shall deliver to each Purchaser a report (a “*Purchaser Report*”) containing the following information:

- (1) a copy of the most recent Servicing Report delivered to the Administrative Agent;
- (2) such Purchaser’s Pro Rata Share of (x) the Accrued Aggregate Unreimbursed Purchase Discount and (y) the Funded Amount;
- (3) the Pro Rata Share of (x) the Payment Amount payable by the Purchaser (if the Payment Amount is positive) or to be paid to such Purchaser (if the Payment Amount is negative, and subject to receipt of the corresponding amounts by the Administrative Agent) on the next succeeding Settlement Date or (y) the Termination Payment Amount to be paid to such Purchaser on the next succeeding Termination Settlement Date, as applicable; and
- (4) the date of the next succeeding Settlement Date or Termination Settlement Date, as applicable.

(b) *Purchaser Funding.* On each Settlement Date, if the Payment Amount is positive, each Purchaser shall pay to the Administrative Agent such Purchaser’s Pro Rata Share of such Payment Amount on or prior to 12:00 noon (New York time) by wire transfer to a bank account designated by the Administrative Agent to such Purchaser from time to time. Each Purchaser acknowledges that the Administrative Agent will rely on the payment by such Purchaser of its Pro Rata Share of the Payment Amount on each Settlement Date in order to satisfy its funding requirements to the Sellers.

Section 5.7. Distributions from Collection Accounts.

(a) *Collections in the Collection Accounts.* On each Settlement Date, the Seller Representative or any applicable Seller shall apply Collections held in the Collection Accounts in accordance with the following procedure:

- (i) if the Payment Amount is negative, the Seller Representative or the applicable Seller will pay the absolute value thereof, together with the amount of the Administration Fee and Unused Fee, to the Administrative Agent from Collections deposited in the Collection Accounts; if there are insufficient Collections in the Collection Accounts to pay the full amount due and owing to the Administrative Agent and the Purchasers, then after applying such Collections to the payment of the Payment Amount (and, to the extent of available funds, the Administration Fee and Unused Fee) any remaining shortfall shall be paid directly by the Seller Representative or the applicable Seller from its general funds by deposit into the Administrative Agent’s Account. Upon payment in full of the Payment Amount and the Administration Fee and the Unused Fee, the Seller Representative or the applicable Seller shall be permitted to withdraw any and all Collections remaining in the Collection Accounts on such Settlement Date (other than any Collections that are transferred from an Existing Account to the Collection Accounts on such Settlement Date) for its own account; and
- (ii) if the Payment Amount is positive, then the amount thereof will be payable by the Administrative Agent (on behalf the Purchasers) to the Seller Representative (for further distribution to the applicable Seller); furthermore, if the Payment Amount is positive the Seller Representative or any applicable Seller shall be permitted to withdraw any and all Collections in the Collection Accounts on such Settlement Date (other than any Collections that are transferred from an Existing Account to the Collection Accounts on such Settlement Date) for its own account.

(b) *Application of Collections.* On each Termination Settlement Date, the Seller Representative or any applicable Seller shall apply Collections held in the Collection Accounts in accordance with the following procedure: the Seller Representative or any applicable Seller will pay the Termination Payment Amount and the Administration Fee to the Administrative Agent from Collections in the Collection Accounts. If there are insufficient Collections in the Collection Account to pay the full amount due and owing to the Administrative Agent and the Purchasers, then after applying such Collections to the payment of the Termination Payment Amount (and, to the extent of available funds, the Administration Fee), any remaining shortfall shall be paid directly by the Seller Representative or the applicable Seller from its general funds by deposit into the Administrative Agent’s Account. Upon payment in full of the Termination Payment Amount and the Administration Fee, the Seller Representative or the applicable Seller shall be permitted to withdraw any and all Collections remaining in the Collection Accounts on such Termination Settlement Date (other than any Collections that are transferred from an Existing Account to the Collection Accounts on such Termination Settlement Date).

(c) *Delivery of Collections to Purchasers.* The Administrative Agent will pay to each Purchaser, such Purchaser’s share of such Collections in accordance with such Purchaser’s Asset Interests. The Administrative Agent may, at its discretion from time to time, setoff from Collections payable to the Purchasers hereunder the full amount (or any partial amount available thereunder) of such Purchaser’s share of the Payment Amount due and payable hereunder from time to time and other applicable obligations due to the Administrative Agent from such Purchaser. The Administrative Agent shall hold all Collections received by the Administrative Agent in trust for the Purchasers until paid by the Administrative Agent to the Purchasers. Any amounts payable by the Administrative Agent under this Section 5.7(c) shall be paid on the

same day that the corresponding amounts are received by the Administrative Agent into the Administrative Agent's Account, provided that if such amounts are received by the Administrative Agent after 3:00 p.m. on a Business Day, or if they are otherwise received on a day that is not a Business Day, then the corresponding amounts payable by the Administrative Agent hereunder shall be paid on the next following Business Day.

(d) *Seller Funds in the Collection Accounts.* Notwithstanding anything herein to the contrary, once any funds on deposit in the Collection Accounts have been reconciled with the books and records of the Sellers and determined to be Seller Funds, the Seller Representative or any applicable Seller shall within two (2) Business Days of such reconciliation, withdraw any and all such Seller Funds from the Collection Accounts (for further distribution to the applicable Seller).

(e) *Adjustment of Certain Payments.* If for any reason any payment received by the Administrative Agent in respect of any Collection is rescinded or must otherwise be returned by the Administrative Agent and the Administrative Agent has already paid to a Purchaser its share of such payment pursuant to this Agreement, such Purchaser will, upon notice from the Administrative Agent, promptly pay to the Administrative Agent an amount equal to such Purchaser's share of the amount so rescinded or returned, together with interest thereon at the overnight rate for Federal funds transactions between member banks of the Federal Reserve System, as published by the Federal Reserve Bank of New York (the "Federal Funds Rate") for each day from and including the making of the payment to such Purchaser, to but excluding the date of said payment to the Administrative Agent, plus its pro rata share of any penalty or similar such amount, if any, as is required to be paid by the Administrative Agent with respect to such rescinded or returned payment; provided that such Purchaser shall not be obligated to pay any portion of any penalty or similar such amount to the extent that such rescinded or returned payment resulted from the gross negligence or the willful misconduct of the Administrative Agent. For the avoidance of doubt, any amounts that are returned pursuant to this provision will continue to be subject to the terms of this Agreement.

SECTION 6. SERVICING REPORTS; RECONCILIATION OF RECEIVABLES.

Section 6.1. Servicing Reports. The Seller Representative shall be responsible for submitting a Servicing Report via the PrimeRevenue System to the Administrative Agent on each Reconciliation Date and on the Termination Date; *provided, however,* and notwithstanding anything herein to the contrary, if the PrimeRevenue System is not operational or is otherwise offline on any Reconciliation Date or on the Termination Date, then for such Reconciliation Date or Termination Date, as applicable, the Seller Representative may deliver a Servicing Report to the Administrative Agent in the form of Exhibit A-2, and this Agreement shall be construed and interpreted accordingly, *mutatis mutandis.*

Section 6.2. Reconciliation Prior to the Termination Date. If, at any time prior to the Termination Date, the Total Outstanding Amount is greater than the Maximum Funded Amount, then the following procedure will be used by the Seller Representative for purposes of determining which Eligible Receivables constitute Purchased Receivables: *first*, all Eligible Receivables that were Purchased Receivables as of the immediately preceding Reconciliation Date, and that remain outstanding, shall be designated as Purchased Receivables (including, for the sake of clarity, any Eligible Unbilled Receivables that were Purchased Receivables as of the immediately preceding Reconciliation Date and that have subsequently been converted into Billed Receivables), and *second*, new Billed Receivables arising after the immediately preceding Reconciliation Date shall be designated as Purchased Receivables based on Maturity Date (designating the Billed Receivable with the closest Maturity Date as a Purchased Receivable, then designating the Billed Receivable with the second closest Maturity Date as a Purchased Receivable, and continuing in the same manner until either all new Billed Receivables have been designated as Purchased Receivables or the designation of the next following Billed Receivable as a Purchased Receivable would result in the aggregate outstanding Net Face Value of all Purchased Receivables exceeding the Maximum Funded Amount).

Section 6.3. Reconciliation Following the Termination Date. If, as of the Termination Date, the Total Outstanding Amount is greater than the Funded Amount, then the following procedure will be used by the Seller Representative for purposes of determining which Eligible Receivables constitute Purchased Receivables: *first*, all Eligible Receivables that were Purchased Receivables as of the immediately preceding Reconciliation Date, and that remain outstanding, shall be designated as Purchased Receivables (including, for the sake of clarity, any Eligible Unbilled Receivables that were Purchased Receivables as of the immediately preceding Reconciliation Date and that have subsequently been converted into Billed Receivables), and *second*, new Billed Receivables arising after the immediately preceding Reconciliation Date shall be designated as Purchased Receivables based on Maturity Date (designating the Billed Receivable with the closest Maturity Date as a Purchased Receivable, then designating the Billed Receivable with the second closest Maturity Date as a Purchased Receivable, and continuing in the same manner until either all new Billed Receivables have been designated as Purchased Receivables or the designation of the next following Billed Receivable as a Purchased Receivable would result in the aggregate outstanding Net Face Value of all Purchased Receivables exceeding the Funded Amount).

SECTION 7. OTHER INFORMATION; THE SELLERS' BOOKS AND RECORDS; INSPECTION; THE ADMINISTRATIVE AGENT'S RECORDS.

Section 7.1. Other Information. Each Seller will provide the Administrative Agent and the Purchasers with such other reports, information, documents, books and records related to a Purchased Receivable as the Administrative Agent or any Purchaser may reasonably

request or any other information that the Administrative Agent or any Purchaser may require for capital or regulatory purposes and which may be lawfully disclosed or provided to the Administrative Agent or such Purchaser, including, without limitation, promptly after request by the Administrative Agent or any Purchaser (a) a copy of the purchase order or sales order and (except in the case of Eligible Unbilled Receivables) Invoices relating to each Purchased Receivable; and (b) all billings, statements, correspondence and memoranda directed to the Obligor in relation to each Purchased Receivable.

Section 7.2. The Sellers' Books and Records. Each Seller shall maintain its books and records, including but not limited to any computer files and master data processing records, so that such records that refer to Purchased Receivables sold hereunder shall indicate clearly that such Seller's right, title and interest in such Receivables have been sold to the Administrative Agent on behalf of the Purchasers.

Section 7.3. Inspection. Each Seller shall (a) at any time reasonably convenient to such Seller during regular business hours and upon reasonable prior notice, permit the Administrative Agent or any of its agents or representatives, (i) to examine and make copies of and abstracts from such Seller's Sales Records and the Invoices in respect of Purchased Receivables and permit the Administrative Agent to take such copies and extracts from the Sales Records and to provide the Administrative Agent with copies or originals (as required by the Administrative Agent) of the Invoices relating to Purchased Receivables as it may require and generally allow the Administrative Agent to review, check and audit each Seller's credit control procedures, and (ii) to visit the offices and properties of each Seller for the purpose of examining such records and to discuss matters relating to Purchased Receivables or each Seller's performance hereunder with any of the officers or employees of each Seller having knowledge of such matters; and (b) without limiting the provisions of clause (a), from time to time on request of the Administrative Agent and upon reasonable prior notice and subject to the Seller Representative receiving acceptable confidentiality undertakings thereof, permit certified public accountants or other auditors acceptable to the Administrative Agent to conduct, at the applicable Seller's expense, a review of each Seller's books and records to the extent related to the Purchased Receivables; provided that (i) during the continuation of a Servicer Replacement Event, such access and inspections referred to in clauses (a) and (b) may occur at any time and (ii) unless a Servicer Replacement Event has occurred and is continuing, only one such access and inspection in any calendar year shall be at the expense of such Seller.

Section 7.4. The Administrative Agent's Records. The Administrative Agent is irrevocably authorized by each Seller to keep records of all purchases, which records shall be consistent with all information set forth in each Servicing Report delivered to the Administrative Agent via the PrimeRevenue System, and evidences the dates and amounts of purchases and the applicable Purchase Discount in effect from time to time.

SECTION 8. CONDITIONS PRECEDENT.

Section 8.1. Conditions Precedent to the Restatement Date. The occurrence of the Restatement Date is subject to the satisfaction of the following conditions, each to the satisfaction of the Administrative Agent and each Purchaser in its sole discretion and, as to any agreement, document or instrument specified below, each in form and substance satisfactory to the Administrative Agent's and each Purchaser in its sole discretion:

(a) The Administrative Agent shall have received each of the following:

- (i) An executed counterpart of this Agreement and the CSGS Parent Guaranty.
- (ii) Certified copies of resolutions of each Seller and CSGS authorizing this Agreement and the other Purchase Documents and authorizing a person or persons to sign those documents including any subsequent notices and acknowledgements to be executed or delivered pursuant to this Agreement, the other Purchase Documents and any other documents to be executed or delivered by each Seller pursuant hereto or thereto.
- (iii) An officer incumbency and specimen signature certificate for each Seller and CSGS.
- (iv) Organizational documents of each Seller and CSGS certified by the applicable governmental authority (as applicable), and evidence of good standing (as applicable).
- (v) Opinions of counsel to each Seller and CSGS, including opinions with respect to due organization and good standing of each such Person, due authorization, execution and delivery of this Agreement and the other Purchase Documents entered into on or about the date hereof by such Person, validity and enforceability of this Agreement and the other Purchase Documents with respect to such Person, non-contravention of organizational documents, material agreements and law, no consents, creation of security interest and perfection of security interest (including perfection by control with respect to each Seller Account), true sale and such other matters as the Administrative Agent and the Purchasers may reasonably request.

(b) The Sellers shall have paid all fees owed on or prior to the Restatement Date to the Administrative Agent (if, applicable, for the benefit of the Purchasers) pursuant to the terms of this Agreement or any fee letter executed in connection herewith.

(c) The Sellers shall have paid all reasonable fees and out of pocket expenses of counsel to the Administrative Agent incurred in connection with the preparation and negotiation of this Agreement and the other Purchase Documents entered into on or about the date hereof.

(d) The Sellers shall have deposited an additional \$400,000 into the Refundable Discount Advance Account, which amount represents 0.40% of the increase to the Aggregate Commitments on the Restatement Date.

Section 8.2. Conditions Precedent to Each Purchase. The Administrative Agent's purchase of any Receivable on each Purchase Date is subject to the satisfaction of the following conditions, each to the satisfaction of the Administrative Agent in its sole discretion:

(a) After giving effect to such purchase, the Total Outstanding Amount of all Purchased Receivables of all Approved Obligors as of such date will not exceed the Maximum Funded Amount (it being understood that, if at any time prior to the Termination Date the Total Outstanding Amount of Eligible Receivables exceeds the Maximum Funded Amount, Section 6.2 shall apply).

(b) The representations and warranties made by each Seller in Section 9.1 of this Agreement are true and correct in all respects as of such Purchase Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all respects on and as of such earlier date.

(c) The representations and warranties made by each Seller in Section 9.2 of this Agreement with respect to the Purchased Receivables purchased on such Purchase Date are true and correct in all respects as of such Purchase Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all respects on and as of such earlier date.

SECTION 9. REPRESENTATIONS AND WARRANTIES.

Section 9.1. Generally. Each Seller hereby makes the following representations and warranties for the benefit of the Administrative Agent and each Purchaser as of the Restatement Date and on each Purchase Date:

(d) Such Seller is (i) duly organized, validly existing, and, to the extent applicable under the Laws of its jurisdiction of organization, in good standing under the Laws of its jurisdiction of organization and has all organizational powers and all material governmental licenses, authorizations, consents, and approvals required to carry on its business as now conducted and (ii) is qualified to do business in every jurisdiction where the nature of its business requires it to be so qualified, except, with respect to clause (ii), to the extent that failure to so qualify would not reasonably be expected to have a material impairment of its ability to perform its obligations hereunder or under the other Purchase Documents and would not have a material adverse effect on the collectability of the Purchased Receivables taken as a whole or a material impairment on the interests of the Administrative Agent or any Purchaser under the Purchase Documents taken as a whole (a "Material Adverse Effect").

(e) Such Seller has the requisite power and authority to enter into and deliver this Agreement and the other Purchase Documents and to assign and sell the Receivables being sold by it on the applicable Purchase Date in the manner herein contemplated, and it has taken all necessary corporate or other action required to authorize the execution, delivery and performance of this Agreement, the other Purchase Documents and the assignment and sale of such Receivables. This Agreement and the other Purchase Documents to which such Seller is a party have been duly executed and delivered by such Seller.

(f) This Agreement, the other Purchase Documents and the sale, assignment and transfer of the Purchased Receivables hereunder constitutes the legal, valid and binding obligations of such Seller, enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other Laws of general application affecting the rights and remedies of creditors and general principles of equity, regardless of whether enforcement is sought in proceedings in equity or at Law. This Agreement creates a valid security interest in each Purchased Receivable. Upon the filing of a UCC financing statement in the state of incorporation of such Seller set forth in the UCC Information, listing such Seller, as debtor, and the Administrative Agent, as secured party, and covering Purchased Receivables from time to time purchased hereunder, the Administrative Agent shall have, for the benefit of the Purchasers, a first priority perfected security interest in each such Purchased Receivable.

(g) The UCC Information is true and correct in all respects. All documents, certificates and written materials furnished to the Administrative Agent or any Purchaser by or on behalf of such Seller for use in connection with the transactions contemplated in this Agreement, taken as a whole with other documents, certificates and written materials furnished contemporaneously therewith, do not contain any untrue statement of material fact or omit to state a material fact (known to such Seller in the case of any documents, certificates or written statements not prepared by it) necessary in order to make the statements contained therein not misleading in light of the circumstances under which the same were made.

(h) Neither the execution nor the delivery of this Agreement, the other Purchase Documents or any of the other documents related hereto or thereto, nor the performance of or compliance with the terms and provisions hereof or thereof will conflict with or result in a

breach of or give rise to a default under (i) any Laws, (ii) any indenture, loan agreement, security agreement, instrument or other material agreement binding upon such Seller or any of its properties, or (iii) any provision of such Seller's organizational documents which could, in the case of clause (ii) only, reasonably be expected to have a Material Adverse Effect.

(i) No authorization, consent or approval or other action by, and no notice to or filing (other than the UCC financing statements required to be filed hereunder) with, any Governmental Authority is required to be obtained or made by such Seller for the due execution, delivery and performance by it of this Agreement or any other Purchase Document.

(j) No Insolvency Event with respect to such Seller has occurred and is continuing.

(k) There is no pending or, to its knowledge, threatened action, proceeding, investigation or injunction, writ or restraining order affecting such Seller or any of its Affiliates before any court, governmental entity or arbitrator, which could reasonably be expected to have an adverse effect on the enforceability of this Agreement (including, without limitation, the enforceability of the Administrative Agent's or any Purchaser's ownership interest in the Purchased Receivables) or the ability of such Seller to perform its obligations hereunder.

(l) No effective financing statement or other instrument similar in effect covering any Purchased Receivable is on file in any recording office, except those filed in favor of the Administrative Agent relating to this Agreement, and no competing notice or notice inconsistent with the transactions contemplated in this Agreement remains in effect.

(m) Such Seller has not pledged or granted any security interest in any Purchased Receivable to any person except pursuant to this Agreement.

(n) Such Seller is in compliance with all covenants and other agreements contained in this Agreement.

(o) Each Seller has implemented and maintains in effect policies and procedures designed to promote and achieve compliance by each Seller, its Subsidiaries and their respective directors, officers, employees and agents acting or benefiting in any capacity in connection with the transactions contemplated by this Agreement or with respect to any Receivable with Anti-Corruption Laws and applicable Sanctions, and each Seller, its Subsidiaries acting or benefiting in any capacity in connection with the transactions contemplated by this Agreement or with respect to any Receivable and to the knowledge of each Seller their directors, officers, employees and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of any Seller, any of its Subsidiaries acting or benefiting in any capacity in connection with the transactions contemplated by this Agreement or with respect to any Receivable or to the knowledge of any Seller, any of its respective directors, officers or employees is a Sanctioned Person.

Section 9.2. Purchased Receivables. Each Seller hereby makes the following representations and warranties with respect to each Purchased Receivable sold by it for the benefit of the Administrative Agent and each Purchaser as of the applicable Purchase Date with respect to such Purchased Receivable:

(c) Prior to giving effect to the sale of such Purchased Receivable, such Seller has a valid ownership interest therein, free and clear of any Adverse Claim. Such Purchased Receivable is a valid, current and freely assignable trade account receivable and the assignment of such Purchased Receivable is not subject to a consent requirement by any third party to the sale or other transfer of such Purchased Receivable or the grant of a security interest or other lien in such Purchased Receivable other than consents previously obtained in writing by such Seller and that remain in effect as of the Purchase Date. Such Seller shall have provided to the Administrative Agent the Contract number no later than the Reconciliation Date immediately following the purchase of such Purchased Receivable; provided that such information may be provided in the related Servicing Report submitted on such Reconciliation Date via the PrimeRevenue System.

(d) The sale of such Purchased Receivable by such Seller to the Administrative Agent, on behalf of the Purchasers, under the Purchase Documents constitutes a true sale or other absolute transfer of such Purchased Receivable by such Seller to the Administrative Agent and upon purchase by the Administrative Agent, such Purchased Receivable will have been validly and absolutely assigned, transferred and sold to the Administrative Agent and the Administrative Agent shall acquire a legally valid ownership interest in such Purchased Receivable, free and clear of any Adverse Claim without any need on the part of such Seller, any Purchaser or the Administrative Agent to (i) notify the applicable Approved Obligor or (ii) other than the UCC financing statements required to be filed hereunder, file, register or record any Purchase Document or the sale of such Purchased Receivable under the Laws applicable to such Seller, except, in each case, as may be required in order to comply with FACA. All of such Seller's right, title and interest in and to such Purchased Receivable will have been validly sold and absolutely assigned and transferred to the Administrative Agent on behalf of the Purchasers, and the Administrative Agent will have the legal and beneficial right to be paid the face amount of such Purchased Receivable free of any Adverse Claim. Such Purchased Receivable is sold hereunder in good faith and without actual intent to hinder, delay or defraud present or future creditors of such Seller.

(e) Such Purchased Receivable and the applicable Contract constitutes a bona fide, existing and enforceable legal, valid and binding obligation of the applicable Approved Obligor, arising out of an arm's-length sale by such Seller of Goods and Services, in each case, in the ordinary course of its and such Approved Obligor's businesses subject to bankruptcy, insolvency, reorganization, moratorium and other Laws of general application affecting the rights and remedies of creditors and general principles of equity, regardless of whether enforcement is

sought in proceedings in equity or at Law. The applicable Contract constitutes an existing and enforceable legal, valid and binding obligation of such Seller subject to bankruptcy, insolvency, reorganization, moratorium and other Laws of general application affecting the rights and remedies of creditors and general principles of equity, regardless of whether enforcement is sought in proceedings in equity or at Law. Such Purchased Receivable and the related Contract under which it arises comply with, and the Goods and Services with respect thereto have been manufactured in compliance with, and any related services have been provided in compliance with, the requirements of all applicable laws, rules, regulations or orders of any Governmental Authority and do not contravene any agreement binding upon such Seller.

(f) The Goods and Services deliverable to the applicable Approved Obligor in connection with such Purchased Receivable were received by such Approved Obligor not later than the applicable Purchase Date.

(g) The Seller has instructed each Approved Obligor in writing to pay all amounts owing on Purchased Receivables only to the applicable Existing Account, which instructions have not been revoked or otherwise modified. The applicable Seller Account has been established and is in effect, and such Seller Account is the subject of a valid and existing Account Control Agreement.

(h) As of the applicable Purchase Date, such Purchased Receivable is not subject to any Dilution except to the extent specifically included in the determination of the Net Face Value for the calculation of the applicable Purchase Price.

(i) The applicable Approved Obligor has not in the past failed to pay any material sum due and payable to such Seller in circumstances where such Seller did not waive or consent to such failure.

(j) No note, account, instrument, document, contract right, general intangible, chattel paper or other form of obligation other than that which has been assigned to the Administrative Agent exists which evidences such Purchased Receivable, and such Purchased Receivable is not evidenced by and does not constitute an "instrument" or "chattel paper" as such terms are defined in the UCC.

(k) The applicable Approved Obligor is not an Affiliate or Subsidiary of any Seller.

(l) Such Purchased Receivable has not been sold or assigned to any Person other than the Administrative Agent.

(m) Neither such Seller, nor, to the best of such Seller's knowledge, the applicable Approved Obligor, is in default of the applicable Contract or is in breach of its terms.

(n) Neither such Seller nor the applicable Approved Obligor has asserted any Dispute or event of default with respect to such Purchased Receivable.

(o) Such Purchased Receivable is an Eligible Receivable and is denominated in U.S. Dollars.

(p) Such Purchased Receivable does not represent a progress billing or a sale on a bill-and-hold, guaranteed sale, sale-and-return, sale on approval, consignment, cash-on-delivery or any other repurchase or return basis, does not relate to payments of interest and has not been invoiced more than once.

(q) The Maturity Date for such Purchased Receivable is not more than sixty (60) days after the issuance date of the Invoice with respect thereto.

(r) There are no facts known to such Seller concerning such Approved Obligor, such Purchased Receivable or the applicable Contract which might have an adverse impact on the ability or willingness of such Approved Obligor to pay the Net Face Value for such Purchased Receivable when due, including information concerning any existing or potential Disputes, except as otherwise previously disclosed to the Administrative Agent and the Purchasers.

(s) To the applicable Seller's knowledge, the applicable Approved Obligor has not ceased to pay its debts as they become due, and none of its payment obligations are subject to moratorium or any other similar event or condition.

(t) There are no actions, claims or proceedings now pending between such Seller and the applicable Approved Obligor. There are no pending or, to the applicable Seller's knowledge, threatened actions or proceedings before any court or administrative agency related to or in any way connected to such Purchased Receivable.

SECTION 10. COVENANTS.

Section 10.1. The Sellers' Covenants. Each Seller hereby agrees, at all times prior to the Final Collection Date:

(u) To take all necessary steps and actions to preserve its corporate (or other organization) existence and comply in all material respects with all Laws applicable to such Seller in the operation of its business.

(v) To duly perform and comply in all material respects with all terms, provisions, and obligations under this Agreement and each Contract and refrain from taking any action or omitting to take any action which might prejudice or limit the Administrative Agent's or any Purchaser's rights to payment with respect to the Purchased Receivables.

(w) To promptly notify the Administrative Agent and each Purchaser in writing of (i) such Seller's knowledge of any material event or occurrence, including, without limitation, any material breach or material default by such Seller or by any Approved Obligor of any of the terms or provisions of any Contract with respect to any Purchased Receivable, any Dispute, or any governmental action affecting the ability of it or such Approved Obligor to perform its obligations under the applicable Contract to which it is a party; or (ii) any change to the UCC Information at least thirty (30) days prior to such change.

(x) To not modify the terms of any Contract in any manner which would adversely affect the collectability of any Purchased Receivables or any rights of the Administrative Agent or any Purchaser as the owners of the Purchased Receivables or would otherwise reduce the amount due thereunder or delay the Maturity Date thereof.

(y) To make all disclosures required by any applicable Law with respect to the sale of the Purchased Receivables hereunder to the Administrative Agent (on behalf of the Purchasers), and account for such sale in accordance with GAAP.

(z) To not create or permit to exist any Adverse Claim over all or any of the rights, title and interest in and to the Purchased Receivables of any Seller, any Purchaser or the Administrative Agent.

(aa) To not sell, assign or otherwise transfer the Purchased Receivables, except as specifically provided for herein.

(bb) To not close its applicable Seller Account(s) and not to instruct any Approved Obligor to pay any amounts owing under the Purchased Receivables to a bank account other than the applicable Existing Account.

SECTION 11. REPURCHASE OF PURCHASED RECEIVABLES.

Section 11.1. Repurchase Price. As used herein, the "Repurchase Price" with respect to any Purchased Receivable shall be calculated as follows:

$$\text{RP} = \text{PP} + \text{AD} + \text{AI} + \text{AO, in which:}$$

<u>Term</u>	<u>Definition</u>
" <u>RP</u> " equals	Repurchase Price for such Purchased Receivable as of the applicable Repurchase Date
" <u>PP</u> " equals	The aggregate Purchase Price for such Purchased Receivable, net of any Collections received by the Administrative Agent with respect to such Purchased Receivable
" <u>AD</u> " equals	The Purchase Discount applicable to such Receivable and accrued for the period from the applicable Purchase Date to the applicable Repurchase Date; provided that AD shall only apply in the case of a Receivable purchased at its Discounted Purchase Price
" <u>AI</u> " equals	Interest on the total amount payable by the Approved Obligor with respect to such Receivable, calculated at a rate equal to the LIBOR for the period from the last day of the applicable Discount Period to the applicable Repurchase Date <u>plus</u> the Applicable Margin; <i>provided</i> that the AI shall only apply if the Repurchase Date occurs after the last day of the applicable Discount Period
" <u>AO</u> " equals	All other amounts then payable (including, to the extent not included in PP, the full amount of the Aggregate Unreimbursed Purchase Discount corresponding to such Receivable) by the applicable Seller under the Purchase Documents with respect to such Purchased Receivable as of such Repurchase Date

Section 11.2. Repurchase. Upon the occurrence of a Repurchase Event with respect to any Purchased Receivable, the Administrative Agent may, upon written notice to the Seller Representative, require the applicable Seller to repurchase such Purchased Receivable on the Proposed Repurchase Date specified in such notice for an amount equal to the Repurchase Price of such Purchased Receivable.

Section 11.3. Repurchase Date. Upon delivery of any notice referred to in Section 11.2, (a) the Repurchase Price together with all other amounts under this Agreement and the other Purchase Documents with respect to the applicable Purchased Receivable shall become due and payable immediately, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Sellers; (b) the applicable Seller shall pay to the Administrative Agent (for the benefit of the Purchasers) by deposit in the Administrative Agent's Account such Repurchase Price on the Proposed Repurchase Date specified in such notice, which, in any event, shall be paid not later than five (5) Business Days from the date of the delivery of such notice; and (c) on receipt of such Repurchase Price, the Administrative Agent

shall (at the cost and expense of the applicable Seller) execute such documents as may be necessary to re-assign, without recourse, representation or warranty, and at no further cost to the Administrative Agent, such Purchased Receivable to the applicable Seller.

SECTION 12. TAXES, ETC.

Section 12.1. Taxes. All payments to be made by any Seller under this Agreement shall be made free and clear of and without deduction for or on account of all Taxes, except to the extent required by applicable law. All Taxes required to be deducted or withheld from any amounts paid or payable by a Seller under this Agreement, if any, shall be paid by such Seller to the applicable Governmental Authority within the time allowed under the relevant law. In addition, if any Taxes or amounts in respect of Taxes must be deducted from any amounts payable by a Seller under this Agreement and such Tax is an Indemnified Tax, such Seller shall pay such additional amounts as may be necessary to ensure that the Administrative Agent and the Purchasers receive a net amount equal to the full amount which the Administrative Agent and the Purchasers would have received had payment not been made subject to deduction of Tax by such Seller. Within 30 days of each payment to the relevant Governmental Authority by a Seller under this Section 12.1 of Tax or in respect of Taxes, such Seller shall deliver to the Administrative Agent and the Purchasers if the same is available an original receipt, certified copy or other appropriate evidence issued by the Governmental Authority to whom the payment was made that the Tax has been duly remitted to the appropriate authority. If the Administrative Agent or any Purchaser determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been paid additional amounts pursuant to this Section 12.1, such Person shall pay to the applicable Seller an amount equal to such refund (but only to the extent of additional amounts made under this Section 12.1 with respect to the Taxes giving rise to such refund), net of all reasonable out-of-pocket expenses of such Person and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, however, that nothing contained in this Agreement shall interfere with the right of the Administrative Agent and each Purchaser to arrange its Tax affairs in whatever manner it thinks fit and, in particular, none of the Administrative Agent or any Purchaser shall be under any obligation to claim credit, relief, remission, repayment or other benefit from or against its corporate profits or similar Tax liability in respect of the amount of any deduction in priority to any other claims, reliefs, credits or deductions available to it, nor shall any Seller be entitled to make any enquiries of the Administrative Agent or any Purchaser in relation to such Person's Tax affairs. The Administrative Agent and each Purchaser shall (if and to the extent that it is entitled to do so under applicable law) submit in duplicate to the Seller Representative prior to the date of the first payment by any Seller to the Administrative Agent or such Purchase, as applicable, duly completed and signed copies appropriate Internal Revenue Service forms claiming complete or partial exemption from withholding on all amounts (to which such withholding would otherwise apply) to be received by the Administrative Agent or such Purchaser, as applicable, including fees, from such Seller pursuant to this Agreement. In addition and from time to time the Administrative Agent and each Purchaser shall (if and to the extent that it is entitled to do so under applicable law) submit to the Seller Representative such additional duly completed and signed copies of one or the other of such Forms (or such successor forms as shall be adopted from time to time by the relevant United States taxation authorities) and any additional information as may be required under then current United States law, regulations or any income tax treaty to which the United States is a party to claim the inapplicability of, or exemption or partial exemption from, United States withholding (including backup withholding) taxes on payments in respect of all amounts (to which such withholding would otherwise apply) to be received by the Administrative agent or such Purchaser including fees, from such Seller pursuant to this Agreement. The Administrative Agent and each Purchaser agree that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Seller Representative in writing of its legal inability to do so.

Section 12.2. Duties and Taxes. All stamp, documentary, registration or other like duties or Taxes (excluding Excluded Taxes and any Taxes that are the subject of Section 12.1), including Taxes and any penalties, additions, fines, surcharges or interest relating thereto, or any notarial fees which are imposed or chargeable on or in connection with this Agreement or any other Purchase Document or any other document executed pursuant hereto or thereto shall be paid by each of the Sellers, it being understood and agreed that the Administrative Agent and each Purchaser shall be entitled but not obligated to pay any such duties or Taxes (whether or not they are its primary responsibility), and each of the Sellers shall on demand indemnify the Administrative Agent or such Purchaser, as applicable, against those duties or Taxes and against any reasonable costs and expenses so incurred by it in discharging them. Without prejudice to the survival of any other provision hereof, the terms of this Section 12.2 shall survive the termination of this Agreement and payment of all other amounts payable hereunder.

SECTION 13. THE ADMINISTRATIVE AGENT.

Section 13.1. Appointment and Authorization.

(a) Each Purchaser hereby irrevocably designates and appoints BTMUNY as the "Administrative Agent" hereunder and authorizes the Administrative Agent to take such actions and to exercise such powers as are delegated to the Administrative Agent hereby and to exercise such other powers as are reasonably incidental thereto. The Administrative Agent shall hold, in its name, on behalf of each Purchaser, the Asset Interests of each Purchased Receivable of such Purchaser. The Administrative Agent shall not have any duties other than those expressly set forth herein or any fiduciary relationship with any Purchaser, and no implied obligations or liabilities shall be read into this Agreement, or otherwise exist, against the Administrative Agent. The Administrative Agent does not assume, nor shall it be deemed to have assumed, any obligation to, or relationship of trust or agency with, any Purchaser, any Seller or any other Person. Notwithstanding any

provision hereof or any other Purchase Document, in no event shall the Administrative Agent ever be required to take any action which exposes the Administrative Agent to personal liability or which is contrary to the provision of any Purchase Document or applicable Law.

(b) Except as otherwise specifically provided in this Agreement, the provisions of this Section 13 are solely for the benefit of the Administrative Agent and the Purchasers, and no Seller shall have any rights as a third-party beneficiary or otherwise under any of the provisions of this Section 13, except that this Section 13 shall not affect any obligations which the Administrative Agent or any Purchaser may have to any Seller under the other provisions hereof.

(c) In performing its functions and duties hereunder, the Administrative Agent shall act solely as the agent of the Purchasers and does not assume nor shall be deemed to have assumed any obligation or relationship of trust or agency with or for any Seller or any of its successors and assigns.

Section 13.2. Delegation of Duties. The Administrative Agent may execute any of its duties through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible to any Purchaser for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

Section 13.3. Exculpation of Administrative Agent. None of the Administrative Agent or any of its directors, officers, agents or employees shall be liable for any action taken or omitted (a) with the consent or at the direction of the Purchasers or (b) in the absence of such Person's gross negligence or willful misconduct. The Administrative Agent shall not be responsible to any Purchaser or other Person for (i) any recitals, representations, warranties or other statements made by any Seller or any of its Affiliates, (ii) the value, validity, effectiveness, genuineness, enforceability or sufficiency of any Purchase Document, (iii) any failure of any Seller or any of its Affiliates to perform any obligation or (iv) the satisfaction of any condition specified in Section 8.1 or 8.2. The Administrative Agent shall not have any obligation to any Purchaser to ascertain or inquire about the observance or performance of any agreement contained in any Purchase Document or to inspect the properties, books or records of any Seller or any of its Affiliates.

Section 13.4. Reliance by the Administrative Agent.

(a) The Administrative Agent shall in all cases be entitled to rely, and shall be fully protected in relying, upon any document, other writing or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person and upon advice and statements of legal counsel (including counsel to the Seller), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent shall in all cases be fully justified in failing or refusing to take any action under any Purchase Document unless it shall first receive such advice or concurrence of the Required Purchasers, and assurance of its indemnification, as it deems appropriate.

(b) The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement in accordance with a request of the Purchasers, and such request and any action taken or failure to act pursuant thereto shall be binding upon all Purchasers and the Administrative Agent.

Section 13.5. Actions by the Administrative Agent. The Administrative Agent shall take such actions, or refrain from taking such actions, under each of the Purchased Documents with respect to the rights and remedies of the Purchasers, including with respect to any Purchased Receivable, in each case as may be directed by the Required Purchasers; provided, that until the Administrative Agent receives such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, as Administrative Agent deems advisable and in the best interests of the Purchasers.

Section 13.6. Non-Reliance on the Administrative Agent and Other Purchasers. Each Purchaser expressly acknowledges that none of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates has made any representations or warranties to it and that no act by the Administrative Agent hereafter taken, including any review of the affairs of any Seller, shall be deemed to constitute any representation or warranty by the Administrative Agent. Each Purchaser represents and warrants to the Administrative Agent that, independently and without reliance upon the Administrative Agent or any other Purchaser and based on such documents and information as it has deemed appropriate, it has made and will continue to make its own appraisal of an investigation into the business, operations, property, prospects, financial and other conditions and creditworthiness of each Seller and the Purchased Receivables and its own decision to enter into this Agreement and to take, or omit, action under any Purchase Document. Except for items specifically required to be delivered hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Purchaser with any information concerning a Seller or any of its Affiliates that comes into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates.

Section 13.7. Administrative Agent and Affiliates. Each of the Purchasers and the Administrative Agent and their respective Affiliates may extend credit to, accept deposits from and generally engage in any kind of banking, trust, debt, entity or other business with any Seller or any of its Affiliates and BTMUNY may exercise or refrain from exercising its rights and powers as if it were not the Administrative Agent. With respect to the purchase of Asset Interests in Receivables pursuant to this Agreement, the Administrative Agent, in its capacity as a

Purchaser, shall have the same rights and powers under this Agreement as any other Purchaser and may exercise the same as though it were not such an agent, and the terms “Purchaser” and “Purchasers” shall include the Administrative Agent in its capacity as a Purchaser.

Section 13.8. Successor Administrative Agent. The Administrative Agent may, upon at least twenty (20) days’ notice to each Seller and each Purchaser, resign as Administrative Agent. If the Person serving as Administrative Agent is subject to an Insolvency Event, the Purchasers (excluding the Purchaser that is also the Administrative Agent at such time, if applicable) may, to the extent permitted by applicable Law, by notice in writing to each Seller and such Person remove such Person as Administrative Agent. Any resignation or removal, as the case may be, shall not become effective until a successor agent is appointed by the Purchasers (excluding the Purchaser that is also the Administrative Agent at such time, if applicable), but with the consent of each Seller (provided, such consent shall not be unreasonably withheld, delayed or conditioned), and has accepted such appointment. Upon such acceptance of its appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall succeed to and become vested with all the rights and duties of the retiring or removed, as applicable, Administrative Agent, and the retiring or removed, as applicable, Administrative Agent shall be discharged from its duties and obligations as Administrative Agent under the Purchase Documents. After any retiring or removed, as applicable, Administrative Agent’s resignation or removal, as applicable, hereunder, the provisions of Sections 13 and 14 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent.

Section 13.9. Reimbursement by the Purchasers. Each Purchaser will reimburse the Administrative Agent, to the extent that the Administrative Agent is not reimbursed by the Sellers pursuant to the terms of this Agreement, its Pro Rata Share of any and all reasonable costs and expenses (including without limitation, reasonable legal fees and expenses) incurred by the Administrative Agent in connection with the protection or enforcement of its rights under or in connection with this Agreement and the other Purchase Documents.

SECTION 14. MISCELLANEOUS.

Section 14.1. Indemnity. Except with respect to Taxes (which is governed by Section 12 above), each Seller agrees to indemnify, defend and save harmless the Administrative Agent (including each of its branches), each Purchaser (including each of its branches), each Participant, any liquidity or credit enhancement provider of any Purchaser or Participant and each of their Affiliates, officers, directors, employees or other agents (each, an “Indemnified Party”), forthwith on demand, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, judgments, suits, costs (including interest), expenses and disbursements of any kind or nature whatsoever (including the reasonable fees and disbursements of counsel for each Indemnified Party in connection with any investigative, administrative or judicial proceeding or hearing commenced or threatened by any Person, regardless of whether any such Indemnified Party shall be designated as a party or a potential party thereto, and any fees or expenses incurred by each Indemnified Party in enforcing this indemnity), whether direct, indirect, special or consequential and whether based on any federal, state or foreign Laws, on common law or equitable cause or on contract or otherwise, that may be imposed on, incurred by, or asserted against any such Indemnified Party, in any manner relating to or arising out of or incurred in connection with this Agreement, the other Purchase Documents, any Purchased Receivable or any of the transactions contemplated hereby or thereby, including, without limitation, with respect to (y) any representation or warranty or statement made or deemed made by a Seller under or in connection with this Agreement or any of the other Purchase Documents which shall have been incorrect as of the date when made or the occurrence of a Dispute or any failure of a Seller to comply with its covenants and other agreements contained in this Agreement or any other Purchase Document and (z) any Retained Obligations of a Seller (the “Indemnified Liabilities”); provided, no Seller shall have any obligation to any Indemnified Party hereunder with respect to (i) any Indemnified Liabilities to the extent such Indemnified Liabilities arise from the gross negligence or willful misconduct of that Indemnified Party, in each case, as determined by a final, non-appealable judgment of a court of competent jurisdiction, (ii) any non-payment of any Purchased Receivable except to the extent that such non-payment is caused by or is otherwise attributable to any event, circumstance or condition that gives rise to the occurrence of a Repurchase Event and (iii) any Indemnified Liabilities to the extent that such Indemnified Liabilities are otherwise payable by the Administrative Agent or a Purchaser under Section 5.1. Without prejudice to the survival of any other provision hereof, the terms of this Section 14.1 shall survive the termination of this Agreement and payment of all other amounts payable hereunder.

Section 14.2. Expenses. Each of the Sellers agree to pay promptly on demand (a) all actual and reasonable costs and expenses (including due diligence expenses) incurred by the Administrative Agent in connection with (i) the negotiation, preparation and execution of the Purchase Documents (including this Agreement) and (ii) any consents, amendments, waivers or other modifications thereto and the transactions contemplated thereby, including, in either case and without limitation, the reasonable fees, expenses and disbursements of counsel to the Administrative Agent in connection therewith; and (b) all costs and expenses, including reasonable attorneys’ fees and costs of settlement, incurred by the Administrative Agent or any Purchaser in enforcing any obligations of any of the Sellers under any Purchase Document or in collecting any payments due from any Seller hereunder or under the other Purchase Documents or in connection with any refinancing or restructuring of the purchase arrangements provided hereunder in the nature of a “work-out” or pursuant to any insolvency or bankruptcy cases or proceedings. Without prejudice to the survival of any other provision hereof, the terms of this Section 14.2 shall survive the termination of this Agreement and payment of all other amounts payable hereunder.

Section 14.3. Setoff. In addition to any rights now or hereafter granted under applicable Law and not by way of limitation of any such rights, the Administrative Agent and each Purchaser is hereby authorized by each Seller at any time or from time to time, without notice to any

Seller or to any other Person, any such notice being hereby expressly waived, to set off and to appropriate and to apply any and all deposits (general or special, including indebtedness evidenced by certificates of deposit, whether matured or unmatured, but not including trust accounts) and any other indebtedness at any time held or owing by the Administrative Agent or such Purchaser to or for the credit or the account of any Seller against and on account of the obligations and liabilities of such Seller to the Administrative Agent or such Purchaser hereunder and under the other Purchase Documents, including all claims of any nature or description arising out of or connected hereto or with any other Purchase Document, irrespective of whether or not (a) the Administrative Agent or such Purchaser shall have made any demand hereunder or (b) any amounts payable hereunder shall have become due and payable pursuant hereto and although such obligations and liabilities, or any of them, may be contingent or unmatured; provided that the Administrative Agent or such Purchaser may only exercise its right of setoff in this Section 14.3 if a Facility Suspension Event has occurred and is continuing with respect to such Seller.

Section 14.4. Notices, Addresses. All notices, requests and demands given or made under the Purchase Documents shall be given or made in writing and unless otherwise stated shall be made by email or letter using the address as specified below or such other address as the party may designate to the other party in accordance with the provisions of this Section 14.4:

If to the Administrative Agent:

The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch
1251 Avenue of the Americas
New York, New York 10020
Attn: R. Gregory Hurst
Email: rhurst@us.mufg.jp

With a copy to

The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch
1251 Avenue of the Americas
New York, New York 10020
Attn: Amy Mellon
Email: amellon@us.mufg.jp

If to the Sellers:

c/o CSC Government Solutions LLC, as Seller Representative
3170 Fairview Park Dr.
Falls Church, VA 22042
Attn: Charles Diao
Email: cdiao@csc.com

With a copy to:

Attn: Helaine (Lannie) G. Elderkin
Email: helderki@csc.com

With a copy to:

Reed Smith LLP
10 South Wacker Drive
Chicago, IL 60606-7507
Attn: J. Michael Brown

Email: jmbrown@reedsmith.com

If to a Purchaser:

The address specified below such Purchaser's signature to this Agreement

All notices, requests and demands shall be deemed to have been duly given or made (a) when dispatched by email during the recipient's normal business hours when the confirmation showing the completed transmission has been received, or (b) if mailed via a reputable international courier, when it has been left at the relevant address or five (5) Business Days after being delivered to such reputable international courier, in an envelope addressed to the applicable person at that address and to the attention of the person(s) set forth above. Each party to this Agreement shall promptly inform the other parties hereto of any changes in their respective addresses, email address specified herein.

Section 14.5. Certificates and Determinations. Any certification or determination by the Administrative Agent or any Purchaser of a rate or amount under any Purchase Document shall be, absent manifest error, conclusive evidence of the matters to which it relates.

Section 14.6. Assignments and Transfers.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Seller may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Purchaser, and no Purchaser may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of clause (b) of this Section, (ii) by way of participation in accordance with the provisions of clause (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of clause (e) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void).

(b) Any Purchaser may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and its interest in Purchased Receivables); provided that:

(i) after such assignment no Purchaser has a Commitment of less than \$50,000,000;

(ii) if such assignment is a partial assignment, it is an assignment of a proportionate part of all the assigning Purchaser's rights and obligations under this Agreement with respect to the Purchaser's interest in Purchased Receivables or the Commitment assigned;

(iii) such assignment has been approved by the Administrative Agent (such consent not to be unreasonably withheld or delayed) unless such assignment is to another Purchaser or any Affiliate thereof;

(iv) the parties to such assignment shall have executed and delivered to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$5,000; provided that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment; and

(v) such assignee is not (A) a Seller or any Affiliate or Subsidiary thereof, (B) a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person) or (C) an Ineligible Assignee or a Defaulting Purchaser.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to clause (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Purchaser under this Agreement, and the assigning Purchaser thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Purchaser's rights and obligations under this Agreement, such Purchaser shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 14.1 and 14.2 with respect to facts and circumstances occurring prior to the effective date of such assignment. Any assignment or transfer by a Purchaser of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Purchaser of a participation in such rights and obligations in accordance with clause (d) of this Section.

(c) The Administrative Agent, acting solely for this purpose as an agent of the Sellers, shall maintain at one of its offices in New York City a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Purchasers, and the Commitments of each Purchaser, and each Purchaser's interests in the Purchased Receivables pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Sellers, the Administrative Agent and the Purchasers shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Purchaser hereunder for all purposes of this Agreement. The Register shall be available for inspection by any Seller and any Purchaser, at any reasonable time and from time to time upon reasonable prior notice.

(d) Any Purchaser may at any time, without the consent of, or notice to, any Seller or the Administrative Agent, sell participations to any Person (other than a natural Person, or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person, or any Seller or any Seller's Affiliates or Subsidiaries or an Ineligible Assignee) (each, a "Participant") in all or a portion of such Purchaser's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or such Purchaser's interests in Purchased Receivables); provided that (i) such Purchaser's obligations under this Agreement shall remain unchanged, (ii) such Purchaser shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Sellers, the Administrative Agent and the other Purchasers shall continue to deal solely and directly with such Purchaser in connection with such Purchaser's rights and obligations under this Agreement. For the avoidance of doubt, each Purchaser shall be responsible for the indemnity under Section 13.9 with respect to any payments made by such Purchaser to its Participant(s).

Any agreement or instrument pursuant to which a Purchaser sells such a participation shall provide that such Purchaser shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Purchaser will not, without the consent of the Participant, agree to any amendment, modification or waiver of the type described in the proviso to Section 14.8 without the consent of each Participant. Each Participant shall be entitled to the benefits of Sections 3.3, 12.1 and 12.2 (subject to the requirements and limitations therein, including the requirements under Section 12.1 (it being understood that the documentation required under Section 12.1 shall be delivered to the participating Purchaser)) to the same extent as if it were a Purchaser and had acquired its interest by assignment pursuant to clause (b) of this Section; provided that such Participant shall not be entitled to receive any greater payment under Sections 12.1 or 12.2, with respect to any participation, than its participating Purchaser would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a change in Law that occurs after the Participant acquired the applicable participation. To the extent permitted by Law, each Participant also shall be entitled to the benefits of Section 14.3 as though it were a Purchaser; provided that such Participant agrees to be subject to Section 3.4 as though it were a Purchaser. Each Purchaser that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Sellers, maintain a register on which it enters the name and address of each Participant and each Participant's interest in the Purchased Receivables or other obligations under the Purchase Documents (the "Participant Register"); provided that no Purchaser shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in the Purchased Receivables or its other obligations under any Purchase Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Purchaser shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Notwithstanding anything herein to the contrary, any Purchaser may assign or pledge a security interest in all or any portion of its rights under this Agreement to secure obligations of such Purchaser, including any pledge or assignment to secure obligations to a Federal Reserve Bank or any other central bank. No such assignment and/or pledge shall release any Purchaser from its obligations hereunder.

Section 14.7. No Waivers, Remedies Cumulative. No failure to exercise, nor any delay in exercising, on the part of the Administrative Agent or any Purchaser, any right or remedy under the Purchase Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by Law.

Section 14.8. Amendment. No waiver, alteration, modification, amendment or termination hereof or of any of the provisions hereof shall be binding unless made in writing and duly executed by each Seller, the Administrative Agent and the Required Purchasers; provided that no such waiver, alteration, modification, amendment or termination shall, without the consent of all Purchasers: (i) increase or extend the Commitment of any Purchaser, (ii) alter the definition of the term Pro Rata Share or Asset Interest, (iii) extend the maturity of any Purchased Receivable or reduce any fee payable by any Seller to the Purchasers, (iv) alter the definition of the term Required Purchasers or alter, amend or modify this Section 14.8, (v) alter the term Purchase Price or its component parts or (vi) release any Seller or other Person from its obligations under this Agreement or any other Purchase Document (including any Parent Guaranty); provided that the Administrative Agent may amend, alter or modify any fee fetter executed in connection with this Agreement without consent of the other Purchasers. Notwithstanding anything to the contrary herein, no Defaulting Purchaser shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Purchaser or each affected Purchaser may be effected with the consent of the applicable Purchasers other than Defaulting Purchasers), except that (x) the Commitment of any Defaulting Purchaser may not be increased or extended without the consent of such Purchaser and (y) any waiver, amendment or modification requiring the consent of all Purchasers or each affected Purchaser that by its terms affects any Defaulting Purchaser disproportionately adversely relative to other affected Purchasers shall require the consent of such Defaulting Purchaser.

Section 14.9. Accounting Treatment; Non-Reliance. Each Seller agrees and acknowledges that (i) it is a sophisticated party in relation to this Agreement; (ii) it has made its own independent decision to enter into the Agreement, the other Purchase Documents to which it is a party and the transactions contemplated hereby and thereby and, in connection therewith, has obtained such independent accounting, legal, tax, financial and other advice as it deems necessary and appropriate (including, without limitation, as to the appropriate treatment of such transactions for accounting, legal, tax and other purposes) and (iii) it has not relied upon any representation or advice from the Administrative Agent, any Purchaser, any of their affiliates or any of their respective directors, officers, employees, contractors, counsel, advisors or other representatives in this regard.

Section 14.10. Third Party Rights. Other than as specifically provided in this Agreement, no Person not a party to this Agreement shall be deemed a third party beneficiary hereof, provided that each Participant is an intended third party beneficiary of, and entitled to rely on, Section 14.1.

Section 14.11. Counterparts. Each Purchase Document may be executed in any number of counterparts, and by the different parties thereto on separate counterparts; each such counterpart shall be deemed an original and all of such counterparts taken together shall be deemed to constitute one and the same instrument. A facsimile or electronic copy of an executed counterpart of this Agreement shall be effective as an original for all purposes.

Section 14.12. Entire Agreement. The Purchase Documents constitute the entire agreement between the parties hereto in relation to the transactions contemplated hereby, and supersede all previous proposals, agreements and other written and oral communications in relation thereto.

Section 14.13. Exclusion of Liability. To the extent permitted by applicable Law, no Seller shall assert, and each Seller hereby waives, any claim against the Administrative Agent, the Purchaser and their affiliates, members of the board of directors, employees, attorneys, agents or sub-agents, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) (whether or not the claim therefor is based on contract, tort or duty imposed by any applicable legal requirement) arising out of, in connection with, as a result of, or in any way related to, this Agreement or any other Purchase Document or any agreement or instrument contemplated hereby or thereby or referred to herein or therein, the transactions contemplated hereby or thereby, any purchase or the use of the proceeds thereof or any act or omission or event occurring in connection therewith, and each Seller hereby waives, releases and agrees not to sue upon any such claim or any such damages, whether or not accrued and whether or not known or suspected to exist in its favor.

Section 14.14. Invalidity. If at any time any provision of the Purchase Documents shall be adjudged by any court or other competent tribunal to be illegal, invalid or unenforceable, the validity, legality, and enforceability of the remaining provisions hereof shall not in any way be affected or impaired, and the parties hereto will use their best efforts to revise the invalid provision so as to render it enforceable in accordance with the intention expressed in this Agreement.

Section 14.15. Governing Law. This Agreement shall be governed by and construed in accordance with the Laws of the State of New York without regard to the principles of conflicts of law thereof (other than Sections 5-1401 and 5-1402 of the New York General Obligations Law).

Section 14.16. Consent to Jurisdiction. Any litigation based hereon, or arising out of, under or in connection with this Agreement or any other Purchase Document, shall be brought and maintained in the courts of the State of New York sitting in New York County, New York or in the United States district court for the Southern District of New York; provided, any suit seeking enforcement against any Receivables or other property may be brought, at the Administrative Agent's option, in the courts of any jurisdiction where such Receivables or other property may be found. Each Seller hereby expressly and irrevocably submits to the jurisdiction of the courts of the State of New York sitting in New York County, New York and of the United States district court for the Southern District of New York for the purpose of any such litigation. Each Seller further irrevocably consents to the service of process by registered mail, postage prepaid, to the address specified in Section 14.4 or by personal service within or without the State of New York. Each Seller expressly and irrevocably waives, to the fullest extent permitted by Law, any objection which it may now or hereafter have to the laying of venue of any such litigation brought in any such court and any claim that any such litigation has been brought in an inconvenient forum.

Section 14.17. WAIVER OF JURY TRIAL. EACH SELLER, THE ADMINISTRATIVE AGENT AND EACH PURCHASER HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS AGREEMENT, ANY OTHER PURCHASE DOCUMENT OR ANY APPLICATION, INSTRUMENT, DOCUMENT, AMENDMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HERewith OR THEREWITH OR ARISING FROM ANY BANKING RELATIONSHIP EXISTING IN CONNECTION WITH THIS AGREEMENT AND THE OTHER PURCHASE DOCUMENTS, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

Section 14.18. USA Patriot Act. The Administrative Agent hereby notifies each Seller that pursuant to the requirements of the USA PATRIOT Improvement and Reauthorization Act, Title III of Pub. L. 109-177 (signed into law March 9, 2009), as amended from time to time (the "PATRIOT Act"), it and each Purchaser is required to obtain, verify, and record information that identifies each Seller, which information includes the name and address of each Seller and other information that will allow it and such Purchaser to identify each Seller in accordance with the PATRIOT Act.

Section 14.19. Confidentiality. Each party hereto agrees to hold the Purchase Documents, the transactions contemplated thereby and all non-public information received by it in connection therewith from any other party hereto or its agents or representatives in confidence and agrees not to provide any Person with copies of this Agreement or such non-public information other than to (a) its affiliates and any officers, directors, members, managers, employees or outside accountants, auditors or attorneys of such party or its affiliates, (b) any prospective or actual assignee or participant which (in each case) has signed a confidentiality agreement containing provisions substantively identical to this Section 14.19 or has agreed to be subject to the terms of this Section 14.19, (c) credit support providers if they agree to hold it confidential pursuant to customary commercial terms, (d) Governmental Authorities with appropriate jurisdiction (including filings required under securities

Laws) and (e) appropriate filings under the UCC. Notwithstanding the above stated obligations, the parties hereto will not be liable for disclosure or use of such information which: (i) was required by Law, including pursuant to a valid subpoena or other legal process, (ii) is disclosed or used in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or any other Purchase Document or the enforcement of rights hereunder or thereunder, (iii) was in such Person's possession or known to such Person prior to receipt or (iv) is or becomes known to the public through disclosure in a printed publication (without breach of any of such Person's obligations hereunder).

Section 14.20. Additional Sellers. From time to time during the term of this Agreement, the Seller Representative may request that one or more of its Affiliates be added as an additional seller (each, an "Additional Seller") under this Agreement. Any such request shall be made by the Seller Representative to the Administrative Agent and the Purchasers, and provided that the Additional Seller Conditions Precedent are satisfied (as determined by each Purchaser in its sole and absolute discretion), the Administrative Agent (at the direction of the Purchasers) shall approve any such request. In the event that any such request is approved, prior to becoming an Additional Seller such approved Affiliate must execute a Joinder Agreement and deliver the same to the Administrative Agent and the Purchasers. Once an Affiliate has been added as an Additional Seller hereunder, such Additional Seller shall be a Seller hereunder, and each reference in this Agreement to "Seller" or "Sellers" shall also mean and be a reference to such Additional Seller.

Section 14.21. Termination of Approved Obligor. Following the occurrence of an Approved Obligor Termination Event, the Administrative Agent may, and shall, at the direction of the Required Purchasers, revoke its approval of the relevant Approved Obligor without providing any prior written notice to the Seller Representative or any other Person. Once the Administrative Agent has revoked its approval of an Approved Obligor, such Person shall immediately cease to be an Approved Obligor hereunder (except with respect to outstanding Purchased Receivables) and the Administrative Agent shall provide an updated copy of Schedule A to the Seller Representative reflecting the then-current Approved Obligors.

Section 14.22. Addition of Approved Obligor. From time to time during the term of this Agreement, the Seller Representative may request that one or more account debtors be added as an additional Approved Obligor under this Agreement. Any such request shall be made by the Seller Representative to the Administrative Agent and the Purchasers and shall include a proposed Approved Obligor Buffer Period. The Purchasers shall, in their absolute discretion, determine whether or not to accept any such request. Once each Purchaser has provided written approval of a proposed Approved Obligor to the Seller Representative and the Administrative Agent, such Person shall immediately become an Approved Obligor hereunder, and the Administrative Agent shall provide an updated copy of Schedule A to the Seller Representative reflecting the then-current Approved Obligors.

Section 14.23. Termination of Sales by CSC as a Seller. At any time, upon at least five Business Days' prior written notice to the Administrative Agent and the Purchasers, CSC may elect to permanently cease selling Eligible Receivables to the Administrative Agent (on behalf of the Purchasers) under Section 2.1. CSC shall cease to be a Seller under this Agreement and the other Purchase Documents without any further action by the parties on the Business Day following the date that the Administrative Agent (for the benefit of the Purchasers) has received all Collections to which it is entitled in respect of Purchased Receivables originated by CSC.

Section 14.24. Amendment and Restatement. This Agreement amends and restates the Original Purchase Agreement in its entirety. This Agreement constitutes a renewal and restatement of, and not a replacement and substitution for, the obligations of the Sellers under the Original Purchase Agreement. The Asset Interests of the Purchasers and the obligations of the Sellers under the Original Purchase Agreement shall continue to be outstanding under this Agreement. Nothing in this Agreement shall release or otherwise adversely affect any or any rights of the Administrative Agent and the Purchasers against any guarantor, surety or other party primarily or secondarily liable for such obligations.

Section 14.25. Release of CSC Parent Guaranty. In connection with the Spin-Off, CSC may request that any or all Parent Guaranties provided by CSC be terminated. The Purchasers will consider any such request in good faith and upon the written consent of each Purchaser, the Administrative Agent will terminate such Parent Guaranties (the date of termination being, the "CSC Guaranty Termination Date") by providing written notice thereof to the Seller Representative and CSC. For the avoidance of doubt, it is understood and agreed that nothing in this Section 14.25 constitutes a commitment by any Purchaser to consent to any such termination request.

Section 14.26. Reaffirmation of CSC. CSC, in its capacity as the guarantor under the CSC Parent Guaranty, hereby confirms and acknowledges that, notwithstanding the effectiveness of this Agreement, (i) the CSC Parent Guaranty shall continue in full force and effect, (ii) all references to the "Amended and Restated Master Accounts Receivable Purchase Agreement", "MARPA" or the "Agreement" in the CSC Parent Guaranty shall be deemed to be references to this Agreement and (iii) all references to "Contract Receivables" therein shall instead be deemed to be references to "Receivables" (it being understood that such existing references to "Contract Receivables" were merely typographical errors and did not reflect the intent of the parties thereto).

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this Agreement by their undersigned, duly authorized officers on the date first above written:

SELLERS:

COMPUTER SCIENCES CORPORATION,
as Seller

By: /s/ H.C. Charles Diao
Name: H.C. Charles Diao
Title: Vice President and Treasurer

CSC GOVERNMENT SOLUTIONS LLC,
as Seller and Seller Representative

By: /s/ William L. Deckelman, Jr.
Name: William L. Deckelman, Jr.
Title: Vice President and Secretary

ADMINISTRATIVE AGENT:

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., NEW YORK BRANCH,
as Administrative Agent

By: /s/ Richard Gregory Hurst
Name: Richard Gregory Hurst
Title: Managing Director

PURCHASERS:

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., NEW YORK BRANCH,
as Purchaser

By: /s/ Lillian Kim
Name: Lillian Kim
Title: Director

Address:
The Bank of Tokyo-Mitsubishi UFJ, Ltd.,
New York Branch
1251 Avenue of the Americas
New York, New York 10020
Attn: R. Gregory Hurst
Email: rhurst@us.mufg.jp

With a copy to:

The Bank of Tokyo-Mitsubishi UFJ, Ltd.,
New York Branch

1251 Avenue of the Americas
New York, New York 10020
Attn: Amy Mellon
Email: amellon@us.mufg.jp

THE BANK OF NOVA SCOTIA,
as Purchaser

By: /s/ Pierre D'Avignon
Name: Pierre D'Avignon
Title: Vice - President

Address:
Scotiabank – Global Transaction Banking
1 Queen Street East, 2nd Floor
Toronto, Ontario, Canada
M5C2W5
Attn: Pierre D'Avignon, Vice President, Trade Finance Sales
Email: pierre.davignon@scotiabank.com

With a copy to:

Scotiabank – Global Transaction Banking
1 Queen Street East, 2nd Floor
Toronto, Ontario, Canada
M5C2W5
Attn: Jonathan Khan, Associate Director
Email: jonathan.khan@scotiabank.com

MIZUHO BANK, LTD.,
as Purchaser

By: /s/ Bertram Tang
Name: Bertram Tang
Title: Authorized Signatory

Address:
1800 Plaza Ten

Harborside Financial Ctr

City/State/Zip: Jersey City, NJ 07311
Attn: Helen Moi
Email: LAU_uscorp1@mizuhocbus.com

With a copy to:
1800 Plaza Ten

Harborside Financial Ctr

City/State/Zip: Jersey City, NJ 07311
Attn: Pamela Chen
Email: LAU_uscorp1@mizuhocbus.com

SCHEDULE A TO

SECOND AMENDED AND RESTATED MASTER ACCOUNTS RECEIVABLE PURCHASE AGREEMENT

Approved Obligor

<u>Approved Obligor</u>	<u>Approved Obligor Buffer Period (days)</u>
Legislative Branch	50
Judicial Branch	50
Department of Agriculture	50
Department of Commerce	50
Department of Defense—Military Programs	50
Department of Defense—ARMY	50
Department of Defense—NAVY / Marine Corps	50
Department of Defense—Air Force	50
Department of Defense—All Other	50
Department of Health and Human Services	50
Department of the Interior	50
Department of Justice	50
Department of Labor	50
Department of State	50
Department of the Treasury	50
Social Security Administration	50
Department of Education	50
Department of Energy	50
Environmental Protection Agency	50
Department of Transportation	50
General Services Administration	50
Department of Homeland Security	50
Department of Housing and Urban Development	50
National Aeronautics and Space Administration	50
Office of Personnel Management	50
Small Business Administration	50
Department of Veterans Affairs	50
Executive Office of the President	50
International Assistance Programs-Department of State	50
Equal Employment Opportunity Commission	50
Federal Election Commission	50
Federal Trade Commission	50

SCHEDULE B TO

SECOND AMENDED AND RESTATED MASTER ACCOUNTS RECEIVABLE PURCHASE AGREEMENT

UCC Information

(a) Name: Computer Sciences Corporation
 (b) Chief Executive Office: 3170 Fairview Park Drive, Falls Church, VA 22042
 (c) Jurisdiction of Organization: Nevada
 (d) Organizational Number: NV19591000386
 (e) FEIN: 95-2043126
 (f) Tradenames: CSC
 (g) Changes in Location, Name and Corporate Organization in the last 5 years: None

(a) Name: CSC Government Solutions, LLC
 (b) Chief Executive Office: 3170 Fairview Park Drive, Falls Church, VA 22042
 (c) Jurisdiction of Organization: Nevada
 (d) Organizational Number: NV20151086294
 (e) FEIN: 47-3093524
 (f) Tradenames: None
 (g) Changes in Location, Name and Corporate Organization in the last 5 years: None

SCHEDULE C TO

SECOND AMENDED AND RESTATED MASTER ACCOUNTS RECEIVABLE PURCHASE AGREEMENT

ELECTRONIC SERVICES SCHEDULE

This Electronic Services Schedule is attached and made a part of the Agreement (as defined herein). In the event of any conflict between the terms and conditions of the Agreement and the terms and conditions of this Schedule, the terms and conditions of this Schedule shall control. Capitalized terms used herein not otherwise defined herein shall have the meanings ascribed thereto in the Agreement.

Section 1. As used herein:

“Agreement” means the Second Amended and Restated Master Accounts Receivable Purchase Agreement, dated as of October 1, 2015 (as amended), among COMPUTER SCIENCES CORPORATION (“CSC”), CSC GOVERNMENT SOLUTIONS LLC, a Nevada corporation (“CSC Solutions”; CSC and CSC Solutions are referred as the “Sellers” and, each individually, as a “Seller”), the PURCHASERS

described therein and THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., NEW YORK BRANCH (“BTMU”), as administrative agent for the Purchasers (the “Administrative Agent”), including this Schedule, as such agreement may be amended, restated, supplemented or otherwise modified from time to time in accordance with its terms.

“Message” means all messages or other information sent by any Seller under the Agreement using the Program web portal.

“PrimeRevenue” means PrimeRevenue, Inc., which is a Service Provider hereunder.

“Program web portal” means the system interface of the Service Provider to be used by BTMU and any Seller so as to operate this Agreement or any updated or replacement system from time to time.

“Service Provider” means any person with whom an agreement has been entered into by BTMU and to whom the performance of certain obligations or exercise of certain rights in respect of the giving and receiving of Messages, and not in respect of any purchase of Receivables, is from time to time sub-contracted by BTMU.

Section 2. Service Provider

2.1. The parties to the Agreement agree that the Service Provider is and will be the service provider solely for BTMU and not the sub-contractor or agent of each Seller. Each Seller consents to BTMU outsourcing to the Service Provider the management of certain administrative functions under this Agreement, it being understood that only the rights and obligations issuing from this Electronic Services Schedule shall be outsourced.

Section 3. Service Provider’ Systems and Platform

3.1. To operate this Agreement, each Seller and BTMU shall use the Program web portal.

3.2. Program related data will be updated and available for view access by each Seller and BTMU on a day to day basis in the Program web portal.

3.3. Each Seller will upload and download information pertaining to Purchase Requests from the Program web portal.

3.4. At date of this Electronic Services Schedule, the Service Provider means PrimeRevenue. BTMU may replace the Service Provider at any time or terminate this Electronic Services Schedule, and will give written notice thereof to each Seller.

Section 4. Use of Service Provider’s Systems and Platform

4.1. Each Seller shall have the right to use the content of the Program web portal to print and use reports downloaded from the Program web portal, and to save reasonable copies to such Seller’s hard drive, in each case solely for the purposes contemplated by the Agreement. Any copying, distribution, or commercial use of any of the content of the Program web portal not in furtherance of or related to the commercial purposes of the Agreement is not permitted, provided that no Seller will not be liable for any copying or distribution of any reports downloaded from the Program web portal to the extent that: (i) such action was required by Law, including pursuant to a valid subpoena or other legal process, (ii) such action is taken in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Electronic Services Schedule or any Purchase Document or the enforcement of rights hereunder or thereunder, (iii) the information copied and/or distributed was in such Person’s possession or known to such Person prior to receipt or (iv) the information copied and/or distributed is or becomes known to the public through disclosure in a printed publication (without breach of such Seller’s obligations hereunder).

4.2. Service Provider retains all right, title, and interest in and to its Program web portal, including all software and other intellectual property underlying the Program web portal and associated therewith, all derivative works thereof, and in all media, but specifically excluding any materials, intellectual property or information provided by any Seller or BTMU (collectively, “Member Content”), all of which shall remain the property of the contributing party. Other than a royalty-free license to use the Program web portal during the term of this Electronic Services Schedule, nothing contained herein shall be construed as the grant of a license or other right by Service Provider to any Seller of the Program web portal or any intellectual property underlying or associated with the Program web portal. Each Seller grants to Service Provider for the term of this Electronic Services Schedule a royalty free, non-exclusive license to use, reproduce, display and modify such Seller’s Member Content for the purpose of allowing Service Provider to render the contracted-for services to BTMU.

4.3. All of the design, text, graphics and the selection and arrangement thereof included in the Program web portal are protected by the copyright laws of the United States and foreign countries. The Program web portal and all associated intellectual property rights are owned by Service Provider and its licensors. All rights not expressly granted to a Seller are reserved to Service Provider and its licensors. Each Seller acknowledges that (a) the Program web portal incorporates confidential and proprietary technology developed or acquired by Service Provider, including the software underlying the Program web portal; and (b) it shall use such technology solely for the purposes set forth herein. This Section 4.3 shall survive the termination of this Electronic Services Schedule for a period of one year

4.4. Service Provider may access and use the non-public financial, transactional and other information that is processed under this Agreement or otherwise acquired by Service Provider in connection with the Program web portal (“Seller Data”) for the purposes of

providing and operating the Program web portal and related services. Each Seller represents that it has the right to permit Service Provider to use Seller Data as described in this Agreement and that such use will not violate any third person's rights.

- 4.5. Each Seller acknowledges that Service Provider may transfer Seller Data to a third person, in connection with: (a) any assignment arising from the acquisition of all or substantially all of its assets or equity interests; or (b) a delegation of hosting or other duties, provided that such third party service provider agrees to abide by appropriate confidentiality obligations.
- 4.6. The parties may disclose Seller Data if required by applicable law to any government body, or duly authorized representatives thereof, upon an audit or other inspection by any of the same of the records or facilities of Service Provider. The applicable Seller will be notified promptly upon receipt of any order and upon the implementation of any change in laws which requires disclosure of Seller Data.
- 4.7. Each Seller hereby acknowledges that Service Provider reserves the right to: (a) terminate such Seller's access to and use of the Program web portal if such Seller permits any unauthorized third person or entity to access and use the Program web portal; and (b) interrupt or disable access to and use of all or any part of the Program web portal if necessary to prevent or protect against fraud, hacking, or illegal conduct or otherwise protect Service Provider's personnel or the Program web portal, in Service Provider's sole discretion and without notice.
- 4.8. EACH SELLER ACKNOWLEDGES THAT NO WARRANTIES OR CONDITIONS, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ARE MADE BY SERVICE PROVIDER WITH RESPECT TO THE PROGRAM WEB PORTAL, THE UNDERLYING SOFTWARE, OR ANY SERVICES PROVIDED BY SERVICE PROVIDER, AND SUCH PROGRAM WEB PORTAL, SOFTWARE, AND SERVICES ARE PROVIDED ON AN "AS IS, WHERE IS, AND AS AVAILABLE" BASIS. SERVICE PROVIDER EXPRESSLY DISCLAIMS LIABILITY AND SPECIFICALLY DENIES ANY RESPONSIBILITY FOR (A) THE COMPLETENESS, ACCURACY OR QUALITY OF INFORMATION OR ANY MEMBER CONTENT OBTAINED THROUGH THE PROGRAM WEB PORTAL, AND (B) SUCH SELLER'S USE OF OR INABILITY TO USE THE PROGRAM WEB PORTAL. THE USE OF THE PROGRAM WEB PORTAL, AND ANY MEMBER CONTENT OR INFORMATION OBTAINED VIA THE PROGRAM WEB PORTAL, IS AT SUCH SELLER'S OWN RISK.
- 4.9. BTMU has the obligation to view the Messages sent in accordance with this Electronic Services Schedule and to act upon them under the terms of the Agreement, and, during any unavailability of the Program web portal to the Company, or following the change of Service Provider, accept to receive Purchase Requests and other notices as otherwise provided in the Agreement.

Section 5. Security. Each Seller agrees that:

- 5.1. Each Seller's authorized employees may access the Program web portal using a unique user ID and password issued by System Provider. Each Seller and each authorized employee shall not allow any other individual to use such employee's unique user ID and password to access the Program web portal. Each Seller and each authorized employee shall remain responsible for maintaining the strict confidentiality of the user IDs and passwords created for such Seller's authorized employees;
- 5.2. it will not intentionally or knowingly interfere with, defeat, disrupt, circumvent or tamper with or attempt to gain unauthorized access to the Program web portal or other information or instruction that is, by the terms of the Agreement to be transmitted through the Program web portal, or with the restrictions on use of functionality or access to information on any portion of the Program web portal, or attempt to do so; and
- 5.3. it will not intentionally or knowingly introduce into any portion of Program web portal any device, software or routine, including but not limited to viruses, Trojan horses, worms, time bombs and cancelbots or other data or code that harms, or may adversely affect, the operation of the Program web portal.

Section 6. Representations, Warranties and Covenants of each Seller. Each Seller hereby represents, warrants and covenants to and with BTMU that such Seller's use of Program web portal is solely to settle genuine and lawful commercial trade transactions, arising in the ordinary course of business, for the purchase or sale of goods (including Receivables as defined under the Agreement) and/or services by or to such Seller from or to the BTMU or other third parties. No Seller shall use the Program web portal for investment or arbitrage functions or purposes, or in breach of any Laws, and any activity undertaken via the Program web portal shall not be used in furtherance of any of the foregoing.

Section 7. No Implied Duties. Without limiting the liabilities of BTMU under the Agreement, BTMU shall be obliged to perform such duties and only such duties as are specifically set forth herein, and no implied duties or responsibilities shall be read or implied into the Agreement against BTMU. BTMU shall have no duties or obligations hereunder to any person or entity other than each Seller and, without limiting the foregoing, does not assume any obligation or relationship of agency or trust hereunder for, or with any other person or entity.

Section 8. Third Party Beneficiary Rights. Each Seller and BTMU agree that Service Provider is an intended third party beneficiary of, and entitled to rely on Sections 2, 4, 5, and 6 of this Electronic Services Schedule and Section 14.19 of the Agreement.

SCHEDULE D TO
SECOND AMENDED AND RESTATED MASTER ACCOUNTS RECEIVABLE PURCHASE AGREEMENT

COMMITMENTS OF THE PURCHASERS

Purchaser	Commitment
The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch	\$250,000,000
The Bank of Nova Scotia	\$100,000,000
Mizuho Bank, Ltd.	\$100,000,000

EXHIBIT A-1 TO
SECOND AMENDED AND RESTATED MASTER ACCOUNTS RECEIVABLE PURCHASE AGREEMENT

[FORM OF SERVICING REPORT ATTACHED]

EXHIBIT A-2 TO
SECOND AMENDED AND RESTATED MASTER ACCOUNTS RECEIVABLE PURCHASE AGREEMENT

_____, 20__

The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch ,
as Administrative Agent

1251 Avenue of the Americas

New York, New York 10020

Attn: R. Gregory Hurst

Email: rhurst@us.mufg.jp

[Purchaser]

[_____]

[_____]

Attn: [_____]

Email: [_____]

Ladies and Gentlemen:

Servicing Report (Delivered Outside of PrimeRevenue System)

We refer to the Second Amended and Restated Master Accounts Receivable Purchase Agreement, dated as of October 1, 2015 (as amended, restated, supplemented or otherwise modified from time to time, the "Purchase Agreement"), among COMPUTER SCIENCES CORPORATION, CSC GOVERNMENT SOLUTIONS LLC, the PURCHASERS described therein and THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., NEW YORK BRANCH, as administrative agent (the "Administrative Agent"). Terms defined in the Purchase Agreement shall have the same meaning herein as defined in such Purchase Agreement.

Please find attached hereto the latest Servicing Report.

Executed and delivered by the Seller Representative as of the date first above written.

CSC GOVERNMENT SOLUTIONS LLC

By:___

Name:

Title:

[FORM OF SERVICING REPORT ATTACHED]

EXHIBIT B TO

SECOND AMENDED AND RESTATED MASTER ACCOUNTS RECEIVABLE PURCHASE AGREEMENT

Form of Joinder Agreement

This JOINDER TO RECEIVABLES PURCHASE AGREEMENT dated as of [_____], 20[___] (this "Agreement"), is by and among [NEW SELLER], a [jurisdiction and legal form] (the "New Seller"), the PURCHASERS party hereto and The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, in its capacity as Administrative Agent (as defined below) under the RPA (as defined below). Capitalized terms used and not defined herein have the meanings given to them in the RPA.

WITNESSETH THAT:

WHEREAS, certain parties (the "Existing Sellers") have entered into that certain Second Amended and Restated Master Accounts Receivable Purchase Agreement, dated October 1, 2015 (the "RPA"), among COMPUTER SCIENCES CORPORATION ("CSC"), a corporation duly organized and existing under the laws of the State of Nevada, as a Seller, CSC GOVERNMENT SOLUTIONS LLC ("CSC Solutions"), a Nevada limited liability company, as a Seller as Seller Representative, [SELLER C] ("Seller C"), a corporation duly organized and existing under the laws of the State of [●], as a Seller (each of CSC, CSC Solutions, [Seller C] and any Additional Sellers (as defined in the RPA), a "Seller" and collectively the "Sellers"), the PURCHASERS described therein and THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., NEW YORK BRANCH, as administrative agent for the Purchasers ("BTMU" and the "Administrative Agent"); and

WHEREAS, New Seller desires to be joined as a party to the RPA;

NOW, THEREFORE, FOR VALUE RECEIVED, and in consideration of accommodations given or to be given, to New Seller and the Existing Sellers by the Purchasers from time to time, New Seller hereby agrees as follows:

1. New Seller acknowledges and agrees that it is a "Seller" under the RPA, effective upon the date of New Seller's execution of this Agreement. All references in the RPA to the term "Seller" or "Sellers" shall be deemed to include the New Seller. Without limiting the generality of the foregoing, New Seller hereby repeats and reaffirms all covenants, agreements, representations and warranties made or given by a Seller contained in the RPA, and appoints the Seller Representative as its agent, attorney-in-fact and representative in accordance with Section 2.5 of the RPA.

2. For purposes of the RPA, "Existing Account" with respect to the New Seller means [each of the following accounts]:

[(i)] the account of the Seller Representative located at [____] (ABA [____]) with account number [____], which account is located at a depository bank satisfactory to the Administrative Agent and which account is subject to an Account Control Agreement[; and]

[(ii)] the account of the New Seller located at [____] (ABA [____]) with account number [____], which account is located at a depository bank satisfactory to the Administrative Agent and which account is subject to an Account Control Agreement.]

3. New Seller agrees to execute and deliver such further instruments and documents and do such further acts and things as the Administrative Agent may deem reasonably necessary or proper to carry out more effectively the purposes of this Agreement.

4. No reference to this Agreement need be made in the RPA or in any other Purchase Document or other document or instrument making reference to the same, any reference to Purchase Documents in any of such to be deemed a reference to the RPA, or other Purchase Documents, as applicable, as modified hereby.

5. The laws of the State of New York (without regard to conflicts of laws principles) shall govern all matters arising out of, in connection with or relating to this Agreement, including, without limitation, its validity, interpretation, construction, performance and enforcement.

[Remainder of Page Intentionally Left Blank]

In witness whereof, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

NEW SELLER:

[NEW SELLER],

as Seller

By: ____Name: Title:

ACKNOWLEDGED AND ACCEPTED AS OF THE DATE FIRST WRITTEN ABOVE:

ADMINISTRATIVE AGENT:

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., NEW YORK BRANCH

By: ____Name: Title:

PURCHASER(S):

[PURCHASER]

By: ____Name: Title:

EXISTING SELLERS:

COMPUTER SCIENCES CORPORATION,

as a Seller

By: ____Name: Title:

CSC GOVERNMENT SOLUTIONS LLC,

as a Seller and Seller Representative

By: ____Name: Title:

[SELLER C],

as Seller

By: ____Name: Title:

[NEW SELLER],

as a Seller

By: ____Name: Title:

AMENDED AND RESTATED GUARANTY

This AMENDED AND RESTATED GUARANTY, dated as of August 20, 2015 (this "Guaranty"), is made by COMPUTER SCIENCES CORPORATION, a Nevada corporation ("CSC"), in favor of THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., NEW YORK BRANCH ("BTMU"), as Administrative Agent (as defined below) (the "Guaranteed Party") for the benefit of the Purchasers (as defined below).

WITNESSETH

WHEREAS, CSC is the guarantor under that certain Guaranty, dated as of June 12, 2015 in favor of BTMU (as assignee of The Royal Bank of Scotland plc (the "Original Guaranteed Party")) (as amended, restated or otherwise modified from time to time, the "Existing Guaranty"), which guarantees the obligations of CSC Government Solutions LLC, a Nevada limited liability company and a wholly-owned Subsidiary of CSC ("CSCGS"), under that certain Master Accounts Receivable Purchase Agreement dated as of April 21, 2015, between CSC and BTMU (as assignee of the Original Guaranteed Party) (as heretofore amended, supplemented or otherwise modified, the "Original Agreement"), pursuant to which the Original Guaranteed Party has purchased Contract Receivables and Related Assets from CSC and CSCGS;

WHEREAS, CSC, CSCGS and BTMU, as administrative agent (the "Administrative Agent") and certain purchasers identified therein (the "Purchasers") entered into an Amended and Restated Master Accounts Receivable Purchase Agreement dated as of the date hereof (as amended, restated or otherwise modified from time to time, the "Agreement"; capitalized terms not otherwise defined herein shall have the meanings given to them therein);

WHEREAS, the Guaranteed Party and CSC desire to amend and restate the Existing Guarantee on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the foregoing and in order to induce the Guaranteed Party to continue to purchase Contract Receivables and Related Assets from CSC and CSCGS, CSC agrees as follows:

1. CSC absolutely, unconditionally and irrevocably guarantees, as primary obligor and not as surety, to the Guaranteed Party the prompt payment when due, in full of any and all indebtedness and other monetary obligations owing by CSCGS to the Guaranteed Party under or pursuant to the Purchase Documents, upon the Guaranteed Party's first written demand of CSC that CSCGS failed to pay any amount due under or in connection with the Purchase Documents, irrespective of any objection by CSCGS, and the performance and discharge by CSCGS of any other performance obligations of CSCGS under the Agreement (collectively, the "Guaranteed Obligations").
2. CSC absolutely, unconditionally and irrevocably agrees to pay promptly on demand all costs and expenses of the Guaranteed Party, if any (including, without limitation, reasonable counsel fees and out of pocket expenses) in connection with enforcement (whether through negotiation, legal proceedings or otherwise) of its rights under this Guaranty or any other Purchase Document (the "Expense Obligations").
3. CSC agrees to pay the Guaranteed Obligations and Expense Obligations, regardless of any applicable law now or hereafter in effect in any jurisdiction affecting any terms of any Purchase Document or the rights of the Guaranteed Party with respect thereto, and notwithstanding a discharge in bankruptcy of all or any part of Seller's obligations under the Agreement. The liability of CSC hereunder shall be an absolute and primary obligation of payment and the Guaranteed Party shall not be required to first (i) proceed against CSCGS; (ii) proceed against or exhaust any security held from CSCGS; or (iii) pursue any other remedies it may have, including remedies against other guarantors.
4. CSC unconditionally and irrevocably waives promptness, diligence, notice of acceptance hereof, and all other notices and demands of any kind to which CSC may be entitled as a guarantor, including, without limitation, demands of payment and notices of nonpayment, default, protest and dishonor to CSC or CSCGS. CSC further hereby waives notice of, consents to, and irrevocably waives any defenses it may now have or hereafter acquire in any way relating to any or all of the following: (a) any agreement or arrangement for payment, extension or subordination, of the whole or any part of CSCGS's obligations under the Agreement, (b) the modification, amendment, waiver or consent to departure of any of the terms of the Agreement, including, without limitation, in the time, place or manner of payment or any increase in the Guaranteed Obligations resulting from the extension of additional credit to CSCGS or otherwise, (c) the forbearance by the Guaranteed Party in the exercise of any rights against CSCGS, (d) the change in location or release of any collateral of CSCGS (if any) or the taking of a security interest in any additional or substituted collateral of CSCGS (if any), (e) any lack of validity or enforceability of any Purchase Document or any agreement or instrument relating thereto, (f) any defense arising by reason of any claim or defense based upon an election of remedies by the Guaranteed Party that in any manner impairs, reduces, releases or otherwise adversely affects the subrogation, reimbursement, exoneration, contribution or indemnification rights of CSC or other rights of CSC to proceed against CSCGS, (g) any defense based on the right of set-off or counterclaim against or in respect of the obligations owed by CSCGS under the Purchase Documents, or (h) any other circumstance (including, without limitation, any statute of limitations) or any existence of or reliance on any representation by the Guaranteed Party that might otherwise constitute a defense available to, or a discharge of CSCGS or any other guarantor or surety.

The only defenses CSC shall have under this Guaranty are the defenses described in Section 12 and the payment in full of the Guaranteed Obligations and Expense Obligations.

5. This Guaranty will continue to be effective or will be reinstated, as the case may be, if at any time any payment made to the Guaranteed Party is rescinded or must be returned upon the occurrence of any bankruptcy proceeding of CSCGS, as if such payment had not been made.

6. This Guaranty is a continuing guaranty and shall continue in full force and effect until terminated pursuant to this Section 6. This Guaranty shall automatically terminate upon the earlier to occur of:

(a) payment and performance in full of the Guaranteed Obligations and Expense Obligations (whether by CSCGS or otherwise), other than contingent indemnification obligations with respect to which no claim has been made; provided, that any such termination shall be subject to the reinstatement provisions set forth in Section 5 of this Guaranty; and

(b) the CSC Guaranty Termination Date set forth in the Guaranteed Party's written notice delivered to CSC pursuant to Section 14.25 of the Agreement.

7. CSC hereby unconditionally and irrevocably agrees not to exercise any rights that it may now have or hereafter acquire against CSCGS that arise from the existence, payment, performance or enforcement of this Guaranty, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of the Guaranteed Party against CSCGS, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, unless and until all of the Guaranteed Obligations and Expense Obligations shall have been paid in full in cash. If any amount shall be paid to CSC in violation of the immediately preceding sentence at any time prior to the payment in full in cash of the Guaranteed Obligations and Expense Obligations, such amount shall be received and held in trust for the benefit of the Guaranteed Party, and shall forthwith be paid or delivered to the Guaranteed Party in the same form as so received (with any necessary endorsement or assignment) to be credited and applied to the Guaranteed Obligations and all other amounts payable under this Guaranty.

8. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, CSC AND THE GUARANTEED PARTY HEREBY WAIVE ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED HEREON. Any assignee of the Guaranteed Party permitted by the Agreement and all subsequent assignees permitted by the Agreement shall have all of the rights of the Guaranteed Party hereunder and may enforce this Guaranty with the same force and effect as if such Guaranty were given to such assignee in the first instance. The invalidity, illegality or unenforceability of any provision of this Guaranty shall not affect the validity, legality or enforceability of any of its other provisions. LEGAL RIGHTS AND OBLIGATIONS HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK. This Guaranty shall be binding on CSC and its successors and assigns.

9. CSC AND THE GUARANTEED PARTY HEREBY IRREVOCABLY CONSENT TO THE NON-EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND THE FEDERAL DISTRICT COURT FOR THE STATE OF NEW YORK IN CONNECTION WITH ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTY OR THE TRANSACTIONS CONTEMPLATED HEREBY. CSC AND THE GUARANTEED PARTY WAIVE ANY OBJECTIONS BASED UPON VENUE OR "FORUM NON CONVENIENS" IN CONNECTION WITH ANY SUCH ACTION OR PROCEEDING. CSC CONSENTS THAT PROCESS IN ANY SUCH ACTION OR PROCEEDING MAY BE SERVED UPON IT BY REGISTERED MAIL DIRECTED TO UNDERSIGNED AT ITS ADDRESS SET FORTH BELOW.

10. CSC acknowledges the accuracy of the facts set forth in the recitals hereto and further acknowledges that it has, or will, receive substantial benefit and good and adequate consideration from the accommodations granted to CSCGS by the Guaranteed Party pursuant to the Agreement. CSC warrants and represents that:

(a) it is duly organized, validly existing and in good standing in its jurisdiction of formation;

(b) it has the authority to carry on its business as presently conducted;

(c) this Guaranty is a legal, valid and binding obligation of CSC, enforceable against it in accordance with its terms, except as such enforceability may be limited by (a) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally, (b) concepts of reasonableness and (c) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law);

(d) it has full power and authority to execute, deliver and perform its obligations under this Guaranty; and

(e) the execution and delivery of this Guaranty (i) has been authorized by all requisite corporate action, (ii) does not and will not violate (1) the Guarantor's certificate of incorporation or bylaws, or (2) any applicable law or material contractual restriction binding on or affecting the Guarantor, or (iii) does not and will not result in the creation or imposition of any lien on any asset of the Guarantor.

11. CSC covenants and agrees that it will, unless this Guaranty shall have terminated in accordance with the last sentence of Section 6 hereof:

(a) Comply, and cause CSCGS to comply, with all applicable laws, rules, regulations and orders, except to the extent any non-compliance would not reasonably be expected to have a Material Adverse Effect.

(b) Furnish to Guaranteed Party:

(i) as soon as available and in any event within 60 days of the end of each of the first three fiscal quarters of each fiscal year of CSC, a copy of the quarterly report (x) for such quarter for CSC, containing a consolidated balance sheet and consolidated statements of income and (x) for the period consisting of the fiscal year then elapsed, for CSC, containing consolidated statements of stockholders' equity and cash flows; and

(ii) as soon as available and in any event within 120 days after the end of each fiscal year of CSC, a copy of the consolidated annual audit report for such year for CSC, containing financial statements (including a consolidated balance sheet, consolidated statements of income, retained earnings and cash flows of CSC) for such year, accompanied by an opinion of Deloitte & Touche or other nationally recognized independent public accountants. The opinion shall be unqualified (as to going concern, scope of audit and disagreements over the accounting or other treatment of offsets) and shall state that such consolidated financial statements present fairly the consolidated financial position of CSC as at the dates indicated and the results of their operations and cash flow for the periods indicated in conformity with GAAP applied on a basis consistent with prior years (except as stated therein) and that the examination by such accountants in connection with such consolidated financial statements has been made in accordance with generally accepted auditing standards.

In lieu of furnishing to the Guaranteed Party paper copies of the documents required to be delivered pursuant to clauses (i) and (ii), to the extent such documents are filed with the Securities and Exchange Commission (or any successor agency) (the "SEC"), CSC shall notify Guaranteed Party when such documents are so filed and may make such documents available to the Guaranteed Party at its Internet website located at <http://www.csc.com> and through the SEC's EDGAR system;

(c) Maintain insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as are usually insured by companies engaged in similar businesses. Notwithstanding the foregoing, CSC may maintain a plan or plans of self-insurance to such extent and covering such risks as is usual for companies of comparable size engaged in the same or similar business, which plans shall include, among other things, adequate reserves for the risks that are self-insured. On request, CSC will advise the Guaranteed Party concerning any such plan or plans for self-insurance;

(d) At all times maintain its fundamental business and preserve and keep in full force and effect its corporate existence and all material rights, franchises and licenses necessary or desirable in the normal conduct of its business, in each case as applicable, except a Permitted Transaction and except if, in the reasonable business judgment of CSC, it is in the business interest of CSC or the Seller not to preserve and maintain such rights (charter and statutory), franchises and licenses, and such failure to preserve the same would not reasonably be expected to have a Material Adverse Effect. As used herein, "**Permitted Transaction**" means, in the case of any consolidation or merger involving CSC, either (i) CSC is the surviving entity or (ii) the Person surviving or resulting from such consolidation or merger shall have assumed the obligations of CSC hereunder in an agreement or instrument reasonably satisfactory in form and substance to the Guaranteed Party and such surviving corporation shall have delivered, for the benefit of Guaranteed Party, such other documents as may reasonably be requested, including, without limitation, information in respect of "know your customer" and similar requirements, an incumbency certificate and an opinion of nationally recognized independent counsel, or other independent counsel reasonably satisfactory to the Guaranteed Party, to the effect that all agreements or instruments effecting such assumption are enforceable in accordance with their terms and comply with the terms hereof; and

(e) Keep in all material respects, proper books of record and account in accordance with GAAP.

12. Except as otherwise provided in this Guaranty, CSC shall be under no greater obligation or greater liability under this Guaranty in relation to any Guaranteed Obligation than CSC would have been under the Agreement if CSC had been named as CSCGS in the Agreement and any defenses available to CSCGS in respect of its obligations under the Agreement or otherwise shall be available to CSC and Guaranteed Party may not recover under the Agreement, this Guaranty or otherwise for the same loss more than once.

13. On the date hereof, the Existing Guaranty shall be amended, restated and superseded in its entirety by this Guaranty. CSC acknowledges and agrees that (i) this Guaranty does not constitute a novation or termination of the Existing Guaranty as in effect immediately prior to the effectiveness of this Guaranty and (ii) the obligations of CSC under the Existing Guaranty as in effect immediately prior to the effectiveness of this Guaranty are in all respects continuing (as amended and restated hereby) with only the terms thereof being modified as provided in this Guaranty. Each reference to the Existing Guaranty or the "Guaranty" in any Purchase Document shall be deemed to be a reference to this Guaranty as amended and restated hereby.

A copy of this Guaranty shall be effective as an original as provided in the Agreement.

Dated Effective as of August 20, 2015.

COMPUTER SCIENCES CORPORATION, a Nevada corporation

By /s/ Paul N. Saleh

Name: Paul N. Saleh

Title: Executive Vice President and Chief Financial Officer

By /s/ William L. Deckelman, Jr.

Name: William L. Deckelman, Jr.

Title: Executive Vice President and General Counsel

NOTICE ADDRESS:

COMPUTER SCIENCES CORPORATION

3170 Fairview Park Drive

Falls Church, VA 22042

USA

Attention: Executive Vice President and General Counsel

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., NEW YORK BRANCH

By /s/ Richard Gregory Hurst

Name: Richard Gregory Hurst

Title: Managing Director

NOTICE ADDRESS:

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., NEW YORK BRANCH

1251 Avenue of the Americas

New York, New York 10020

Attention: R. Gregory Hurst

Email: rhurst@us.mufg.jp

GUARANTY

This GUARANTY, dated as of October 1, 2015 (this "Guaranty"), is made by COMPUTER SCIENCES GOVERNMENT SERVICES INC., a Nevada corporation ("Guarantor"), in favor of THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., NEW YORK BRANCH ("BTMU"), as Administrative Agent (as defined below) (the "Guaranteed Party") for the benefit of the Purchasers (as defined below).

WITNESSETH

WHEREAS, Computer Sciences Corporation, a Nevada corporation ("CSC"), CSC Government Solutions LLC, a Nevada limited liability company ("CSCGS"), BTMU, as administrative agent (the "Administrative Agent") and certain purchasers identified therein (the "Purchasers") entered into that certain Amended and Restated Master Accounts Receivable Purchase Agreement, dated as of August 20, 2015 (as heretofore amended, supplemented or otherwise modified, the "Original Agreement"), pursuant to which the Administrative Agent (on behalf of the Purchasers) has purchased Receivables and Related Assets from CSC and CSCGS;

WHEREAS, CSC, CSCGS, the Administrative Agent and the Purchasers entered into a Second Amended and Restated Master Accounts Receivable Purchase Agreement, dated as of the date hereof (as amended, restated or otherwise modified from time to time, the "Agreement"; capitalized terms not otherwise defined herein shall have the meanings given to them therein), which amends and restates the Original Agreement in its entirety pursuant to which the Guaranteed Party (on behalf of the Purchasers) will continue to purchase Receivables and Related Assets from CSC, CSCGS and any Additional Seller that becomes a party thereto (each, a "Seller" and collectively, the "Sellers"); and

WHEREAS, it is a condition precedent for the parties to enter into the Agreement that Guarantor execute and deliver this Guaranty.

NOW THEREFORE, in consideration of the foregoing and in order to induce the Guaranteed Party to continue to purchase Receivables and Related Assets from the Sellers, Guarantor agrees as follows:

1. Guarantor absolutely, unconditionally and irrevocably guarantees, as primary obligor and not as surety, to the Guaranteed Party the prompt payment when due, in full of any and all indebtedness and other monetary obligations owing by the Sellers to the Guaranteed Party under or pursuant to the Purchase Documents, upon the Guaranteed Party's first written demand of Guarantor that any Seller failed to pay any amount due under or in connection with the Purchase Documents, irrespective of any objection by such Seller, and the performance and discharge by the Sellers of any other performance obligations of the Sellers under the Purchase Documents (collectively, the "Guaranteed Obligations").
2. Guarantor absolutely, unconditionally and irrevocably agrees to pay promptly on demand all costs and expenses of the Guaranteed Party, if any (including, without limitation, reasonable counsel fees and out of pocket expenses) in connection with enforcement (whether through negotiation, legal proceedings or otherwise) of its rights under this Guaranty or any other Purchase Document (the "Expense Obligations").
3. Guarantor agrees to pay the Guaranteed Obligations and Expense Obligations, regardless of any applicable law now or hereafter in effect in any jurisdiction affecting any terms of any Purchase Document or the rights of the Guaranteed Party with respect thereto, and notwithstanding a discharge in bankruptcy of all or any part of any Seller's obligations under the Purchase Documents. The liability of Guarantor hereunder shall be an absolute and primary obligation of payment and the Guaranteed Party shall not be required to first (i) proceed against the Sellers; (ii) proceed against or exhaust any security held from the Sellers; or (iii) pursue any other remedies it may have, including remedies against other guarantors.
4. Guarantor unconditionally and irrevocably waives promptness, diligence, notice of acceptance hereof, and all other notices and demands of any kind to which Guarantor may be entitled as a guarantor, including, without limitation, demands of payment and notices of nonpayment, default, protest and dishonor to any Seller. Guarantor further hereby waives notice of, consents to, and irrevocably waives any defenses it may now have or hereafter acquire in any way relating to any or all of the following: (a) any agreement or arrangement for payment, extension or subordination, of the whole or any part of any Seller's obligations under the Purchase Documents, (b) the modification, amendment, waiver or consent to departure of any of the terms of the Purchase Documents, including, without limitation, in the time, place or manner of payment or any increase in the Guaranteed Obligations resulting from the extension of additional credit to any Seller or otherwise, (c) the forbearance by the Guaranteed Party in the exercise of any rights against any Seller, (d) the change in location or release of any collateral of any Seller (if any) or the taking of a security interest in any additional or substituted collateral of any Seller (if any), (e) any lack of validity or enforceability of any Purchase Document or any agreement or instrument relating thereto (including, for the avoidance of doubt, as against any Seller), (f) any defense arising by reason of any claim or defense based upon an election of remedies by the Guaranteed Party that in any manner impairs, reduces, releases or otherwise adversely affects the subrogation, reimbursement, exoneration, contribution or indemnification rights of Guarantor or other rights of Guarantor to proceed against any Seller, (g) any defense based on the right of set-off or counterclaim against or in respect of the obligations owed by any Seller under the Purchase Documents, or (h) any other circumstance (including, without limitation, (i) any statute of limitations, (ii) any law governing usury or insolvency and (iii) any other law providing the

Seller with a defense from non-payment) or any existence of or reliance on any representation by the Guaranteed Party that might otherwise constitute a defense available to, or a discharge of any Seller or any other guarantor or surety. The only defense Guarantor shall have under this Guaranty is the payment in full of the Guaranteed Obligations and Expense Obligations.

5. This Guaranty will continue to be effective or will be reinstated, as the case may be, if at any time any payment made to the Guaranteed Party is rescinded or must be returned upon the occurrence of any bankruptcy proceeding of any Seller as if such payment had not been made.

6. This Guaranty is a continuing guaranty and shall continue in full force and effect until terminated pursuant to this Section 6. This Guaranty shall automatically terminate upon the payment and performance in full of the Guaranteed Obligations and Expense Obligations (whether by any Seller or otherwise), other than contingent indemnification obligations with respect to which no claim has been made; provided, that any such termination shall be subject to the reinstatement provisions set forth in Section 5 of this Guaranty.

7. Guarantor hereby unconditionally and irrevocably agrees not to exercise any rights that it may now have or hereafter acquire against any Seller that arise from the existence, payment, performance or enforcement of this Guaranty, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of the Guaranteed Party against any Seller whether or not such claim, remedy or right arises in equity or under contract, statute or common law, unless and until all of the Guaranteed Obligations and Expense Obligations shall have been paid in full in cash. If any amount shall be paid to Guarantor in violation of the immediately preceding sentence at any time prior to the payment in full in cash of the Guaranteed Obligations and Expense Obligations, such amount shall be received and held in trust for the benefit of the Guaranteed Party, and shall forthwith be paid or delivered to the Guaranteed Party in the same form as so received (with any necessary endorsement or assignment) to be credited and applied to the Guaranteed Obligations and Expense Obligations, as applicable, and all other amounts payable under this Guaranty.

8. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, GUARANTOR AND THE GUARANTEED PARTY HEREBY WAIVE ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED HEREON. Any assignee of the Guaranteed Party permitted by the Agreement and all subsequent assignees permitted by the Agreement shall have all of the rights of the Guaranteed Party hereunder and may enforce this Guaranty with the same force and effect as if such Guaranty were given to such assignee in the first instance. The invalidity, illegality or unenforceability of any provision of this Guaranty shall not affect the validity, legality or enforceability of any of its other provisions. LEGAL RIGHTS AND OBLIGATIONS HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK. This Guaranty shall be binding on Guarantor and its successors and assigns.

9. GUARANTOR AND THE GUARANTEED PARTY HEREBY IRREVOCABLY CONSENT TO THE NON-EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND THE FEDERAL DISTRICT COURT FOR THE STATE OF NEW YORK IN CONNECTION WITH ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTY OR THE TRANSACTIONS CONTEMPLATED HEREBY. GUARANTOR AND THE GUARANTEED PARTY WAIVE ANY OBJECTIONS BASED UPON VENUE OR "FORUM NON CONVENIENS" IN CONNECTION WITH ANY SUCH ACTION OR PROCEEDING. GUARANTOR CONSENTS THAT PROCESS IN ANY SUCH ACTION OR PROCEEDING MAY BE SERVED UPON IT BY REGISTERED MAIL DIRECTED TO UNDERSIGNED AT ITS ADDRESS SET FORTH BELOW.

10. Guarantor acknowledges the accuracy of the facts set forth in the recitals hereto and further acknowledges that it has, or will, receive substantial benefit and good and adequate consideration from the accommodations granted to the Sellers by the Guaranteed Party pursuant to the Agreement. Guarantor warrants and represents that:

- (a) it is duly organized, validly existing and in good standing in its jurisdiction of incorporation;
- (b) it has the authority to carry on its business as presently conducted;
- (c) this Guaranty is a legal, valid and binding obligation of Guarantor, enforceable against it in accordance with its terms, except as such enforceability may be limited by (a) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally, (b) concepts of reasonableness and (c) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law);
- (d) it has full power and authority to execute, deliver and perform its obligations under this Guaranty; and
- (e) the execution and delivery of this Guaranty (i) has been authorized by all requisite corporate action, (ii) does not and will not violate (1) the Guarantor's articles of incorporation or bylaws, or (2) any applicable law or material contractual restriction binding on or affecting the Guarantor, or (iii) does not and will not result in the creation or imposition of any lien on any asset of the Guarantor.

11. Guarantor covenants and agrees that it will, unless this Guaranty shall have terminated in accordance with the last sentence of Section 6 hereof:

(a) Comply, and cause CSCGS to comply, with all applicable laws, rules, regulations and orders, except to the extent any non-compliance would not reasonably be expected to have a Material Adverse Effect.

(b) Following the Spin-Off, implement and maintain in effect policies and procedures designed to promote and achieve compliance by the Guarantor, its Subsidiaries and their respective directors, officers, employees and agents acting or benefiting in any capacity in connection with the transactions contemplated by the Purchase Documents with Anti-Corruption Laws and applicable Sanctions, and the Guarantor, its Subsidiaries acting or benefiting in any capacity in connection with the transactions contemplated by the Purchase Documents and to the knowledge of the Guarantor, its directors, officers, employees and agents will be in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. Following the Spin-Off, none of the Guarantor, any of its Subsidiaries acting or benefiting in any capacity in connection with the transactions contemplated by the Purchase Documents or to the knowledge of the Guarantor, any of its directors, officers or employees will be a Sanctioned Person.

(c) Following the Spin-Off, furnish to Guaranteed Party:

(i) as soon as available and in any event within sixty (60) days of the end of each of the first three (3) fiscal quarters of each fiscal year of Guarantor, a copy of the quarterly report (x) for such quarter for Guarantor, containing a consolidated balance sheet and consolidated statements of income and (y) for the period consisting of the fiscal year then elapsed, for Guarantor, containing consolidated statements of stockholders' equity and cash flows; and

(ii) as soon as available and in any event within one hundred twenty (120) days after the end of each fiscal year of Guarantor, a copy of the consolidated annual audit report for such year for Guarantor, containing financial statements (including a consolidated balance sheet, consolidated statements of income, retained earnings and cash flows of Guarantor) for such year, accompanied by an opinion of Deloitte & Touche or other nationally recognized independent public accountants. The opinion shall be unqualified (as to going concern, scope of audit and disagreements over the accounting or other treatment of offsets) and shall state that such consolidated financial statements present fairly the consolidated financial position of Guarantor as at the dates indicated and the results of their operations and cash flow for the periods indicated in conformity with GAAP applied on a basis consistent with prior years (except as stated therein) and that the examination by such accountants in connection with such consolidated financial statements has been made in accordance with generally accepted auditing standards.

In lieu of furnishing to the Guaranteed Party paper copies of the documents required to be delivered pursuant to clauses (i) and (ii), to the extent such documents are filed with the Securities and Exchange Commission (or any successor agency) (the "SEC"), Guarantor shall notify Guaranteed Party when such documents are so filed and may make such documents available to the Guaranteed Party at its Internet website located at <http://www.csc.com> (or such other website address set forth in a written notice provided by the Guarantor to the Guaranteed Party) and through the SEC's EDGAR system;

(d) Maintain insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as are usually insured by companies engaged in similar businesses. Notwithstanding the foregoing, Guarantor may maintain a plan or plans of self-insurance to such extent and covering such risks as is usual for companies of comparable size engaged in the same or similar business, which plans shall include, among other things, adequate reserves for the risks that are self-insured. On request, Guarantor will advise the Guaranteed Party concerning any such plan or plans for self-insurance;

(e) At all times maintain its fundamental business and preserve and keep in full force and effect its corporate existence and all material rights, franchises and licenses necessary or desirable in the normal conduct of its business, in each case as applicable, except a Permitted Transaction and except if, in the reasonable business judgment of Guarantor, it is in the business interest of Guarantor or any Seller not to preserve and maintain such rights (charter and statutory), franchises and licenses, and such failure to preserve the same would not reasonably be expected to have a Material Adverse Effect. As used herein, "Permitted Transaction" means, in the case of any consolidation or merger involving Guarantor, either (i) Guarantor is the surviving entity or (ii) the Person surviving or resulting from such consolidation or merger shall have assumed the obligations of Guarantor hereunder in an agreement or instrument reasonably satisfactory in form and substance to the Guaranteed Party and such surviving corporation shall have delivered, for the benefit of Guaranteed Party, such other documents as may reasonably be requested, including, without limitation, information in respect of "know your customer" and similar requirements, an incumbency certificate and an opinion of nationally recognized independent counsel, or other independent counsel reasonably satisfactory to the Guaranteed Party, to the effect that all agreements or instruments effecting such assumption are enforceable in accordance with their terms and comply with the terms hereof; and

(f) Keep in all material respects, proper books of record and account in accordance with GAAP.

12. (a) All payments to be made by the Guarantor under this Guaranty shall be made free and clear of and without deduction for or on account of all Taxes, except to the extent required by applicable law. All Taxes required to be deducted or withheld from any amounts paid or payable by the Guarantor under this Guaranty, if any, shall be paid by the Guarantor to the applicable Governmental Authority within the time allowed under the relevant law. In addition, if any Taxes or amounts in respect of Taxes must be deducted from any amounts payable by the Guarantor under this Guaranty and such Tax is an Indemnified Tax, the Guarantor shall pay such additional amounts as may be necessary to ensure that the Guaranteed Party and the Purchasers receive a net amount equal to the full amount which the Guaranteed Party and the Purchasers would have received had payment not been made subject to deduction of Tax by the Guarantor. Within 30 days of each payment to the relevant Governmental Authority by the Guarantor under this Section 12(a) of Tax or in respect of Taxes, the Guarantor shall deliver to the Guaranteed Party and the Purchasers if the same is available an original receipt, certified copy or other appropriate evidence issued by the Governmental Authority to whom the payment was made that the Tax has been duly remitted to the appropriate authority. If the Guaranteed Party or any Purchaser determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been paid additional amounts pursuant to this Section 12(a), such Person shall pay to the Guarantor an amount equal to such refund (but only to the extent of additional amounts made under this Section 12(a) with respect to the Taxes giving rise to such refund), net of all reasonable out-of-pocket expenses of such Person and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, however, that nothing contained in this Guaranty shall interfere with the right of the Guaranteed Party and each Purchaser to arrange its Tax affairs in whatever manner it thinks fit and, in particular, none of the Guaranteed Party or any Purchaser shall be under any obligation to claim credit, relief, remission, repayment or other benefit from or against its corporate profits or similar Tax liability in respect of the amount of any deduction in priority to any other claims, reliefs, credits or deductions available to it, nor shall the Guarantor be entitled to make any enquiries of the Guaranteed Party or any Purchaser in relation to such Person's Tax affairs. The Guaranteed Party and each Purchaser shall (if and to the extent that it is entitled to do so under applicable law) submit in duplicate to the Guarantor prior to the date of the first payment by the Guarantor to the Guaranteed Party or such Purchaser, as applicable, duly completed and signed copies appropriate Internal Revenue Service forms claiming complete or partial exemption from withholding on all amounts (to which such withholding would otherwise apply) to be received by the Guaranteed Party or such Purchaser, as applicable, including fees, from the Guarantor pursuant to this Guaranty. In addition and from time to time the Guaranteed Party and each Purchaser shall (if and to the extent that it is entitled to do so under applicable law) submit to the Guarantor such additional duly completed and signed copies of one or the other of such forms (or such successor forms as shall be adopted from time to time by the relevant United States taxation authorities) and any additional information as may be required under then current United States law, regulations or any income tax treaty to which the United States is a party to claim the inapplicability of, or exemption or partial exemption from, United States withholding (including backup withholding) taxes on payments in respect of all amounts (to which such withholding would otherwise apply) to be received by the Guaranteed Party or such Purchaser including fees, from the Guarantor pursuant to this Guaranty. The Guaranteed Party and each Purchaser agree that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Guarantor in writing of its legal inability to do so.

(b) All stamp, documentary, registration or other like duties or Taxes (excluding Excluded Taxes and any Taxes that are the subject of Section 12(a)), including Taxes and any penalties, additions, fines, surcharges or interest relating thereto, or any notarial fees which are imposed or chargeable on or in connection with this Guaranty or any other document executed pursuant hereto shall be paid by the Guarantor, it being understood and agreed that the Guaranteed Party and each Purchaser shall be entitled but not obligated to pay any such duties or Taxes (whether or not they are its primary responsibility), and the Guarantor shall on demand indemnify the Guaranteed Party or such Purchaser, as applicable, against those duties or Taxes and against any reasonable costs and expenses so incurred by it in discharging them. Without prejudice to the survival of any other provision hereof, the terms of this Section 12(b) shall survive the termination of this Guaranty and payment of all other amounts payable hereunder.

13. The Guaranteed Party hereby notifies the Guarantor that pursuant to the requirements of the USA PATRIOT Improvement and Reauthorization Act, Title III of Pub. L. 109-177 (signed into law March 9, 2009), as amended from time to time (the "PATRIOT Act"), it and each Purchaser is required to obtain, verify and record information that identifies the Guarantor, which information includes the name and address of the Guarantor and other information that will allow it and such Purchaser to identify the Guarantor in accordance with the PATRIOT Act.

14. Except as otherwise provided in this Guaranty (including, without limitation, in Section 4), Guarantor shall be under no greater obligation or greater liability under this Guaranty in relation to any Guaranteed Obligation than Guarantor would have been under any Purchase Document if Guarantor had been named as a Seller thereunder and any defenses available to a Seller in respect of its obligations under any Purchase Document or otherwise shall be available to Guarantor and Guaranteed Party may not recover under any Purchase Document, this Guaranty or otherwise for the same loss more than once.

[Signature pages follow.]

A copy of this Guaranty shall be effective as an original as provided in the Agreement.

Dated Effective as of October 1, 2015.

COMPUTER SCIENCES GOVERNMENT SERVICES INC., a Nevada corporation

By /s/ H.C. Charles Diao

Name: H.C. Charles Diao

Title: Treasurer

By /s/ Lawrence B. Prior III

Name: Lawrence B. Prior III

Title: Chief Executive Officer and President

NOTICE ADDRESS:

COMPUTER SCIENCES GOVERNMENT SERVICES INC.

3170 Fairview Park Drive

Falls Church, VA 22042

USA

Attention: Chief Executive Officer and President

[Guaranty]

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., NEW YORK BRANCH

By /s/ Richard Gregory Hurst

Name: Richard Gregory Hurst

Title: Managing Director

NOTICE ADDRESS:

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., NEW YORK BRANCH

1251 Avenue of the Americas

New York, New York 10020

Attention: R. Gregory Hurst

Email: rhurst@us.mufg.jp

CERTIFICATION

I, J. Michael Lawrie, certify that:

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

Date: November 10, 2015

/s/ J. Michael Lawrie

J. Michael Lawrie President and Chief Executive Officer

CERTIFICATION

I, Paul N. Saleh, certify that:

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

Date: November 10, 2015

/s/ Paul N. Saleh

Paul N. Saleh
Executive Vice President and Chief Financial Officer

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

Pursuant to 18 U.S.C. Section 1350, I J. Michael Lawrie, President and Chief Executive Officer of Computer Sciences Corporation (the "Company") hereby certify that:

1. The Company's Quarterly Report on Form 10-Q for the fiscal quarter ended October 2, 2015 (the "Report"), fully complies with the requirements of Section 13(a) or 15(d), as applicable, 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.

Computer Sciences Corporation

Dated: November 10, 2015

/s/ J. Michael Lawrie

J. Michael Lawrie
President and Chief Executive Officer

This certification should accompany the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

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

Pursuant to 18 U.S.C. Section 1350, I Paul N. Saleh, Executive Vice President and Chief Financial Officer of Computer Sciences Corporation (the "Company") hereby certify that:

1. The Company's Quarterly Report on Form 10-Q for the fiscal quarter ended October 2, 2015 (the "Report"), fully complies with the requirements of Section 13(a) or 15(d), as applicable, 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.

Computer Sciences Corporation

Dated: November 10, 2015

/s/ Paul N. Saleh

Paul N. Saleh
Executive Vice President and Chief Financial Officer

This certification should accompany the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended.