UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 2015

or

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

Sabre Corporation

(Exact name of registrant as specified in its charter)

Delaware	**001-36422**	**20-8647322**
(State or other jurisdiction of incorporation or organization)	**(Commission File Number)**	**(I.R.S. Employer Identification No.)**

3150 Sabre Drive
Southlake, TX 76092

(Address, including zip code, of principal executive offices)

(682) 605-1000

(Registrant's telephone number, including area code)

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

Common Stock, $0.01 par value	**The NASDAQ Stock Market LLC**
(Title of class)	**(Name of exchange on which registered)**

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

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

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

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

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

The aggregate market value of the registrant's common stock held by non-affiliates, as of June 30, 2015, was $2,727,088,799. As of February 10, 2016, there were 275,223,143 shares of the registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement relating to its 2016 annual meeting of stockholders to be held on May 25, 2016, are incorporated by reference in Part III.

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FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K, including the section "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7, contains information that may constitute forward-looking statements. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts, such as statements regarding our future financial condition or results of operations, our prospects and strategies for future growth, the development and introduction of new products, and the implementation of our marketing and branding strategies. In many cases, you can identify forward-looking statements by terms such as "believes," "may," "will," "predicts," "potential," "anticipates," "estimates," "expects," should," "plans" or the negative of these terms or other comparable terminology. The forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions and are subject to risks, uncertainties and changes in circumstances that may cause events or our actual activities or results to differ significantly from those expressed in any forward-looking statement. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future events, results, actions, levels of activity, performance or achievements. You are cautioned not to place undue reliance on these forward-looking statements. Unless required by law, we undertake no obligation to publicly update or revise any forward-looking statements to reflect circumstances or events after the date they are made. A number of important factors could cause actual results to differ materially from those indicated by the forward-looking statements, including, but not limited to, those factors described in Part I, Item 1A, "Risk Factors," in Part I, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Our Results" and elsewhere in this Annual Report.

In this Annual Report on Form 10-K, references to "Sabre," the "Company," "we," "our," "ours" and "us" refer to Sabre Corporation and its consolidated subsidiaries unless otherwise stated or the context otherwise requires.

PART I

ITEM 1. BUSINESS

Overview

Sabre Corporation is a Delaware corporation formed in December 2006. On March 30, 2007, Sabre Corporation acquired Sabre Holdings Corporation ("Sabre Holdings"), which is the sole subsidiary of Sabre Corporation. Sabre GLBL Inc. ("Sabre GLBL") is the principal operating subsidiary and sole direct subsidiary of Sabre Holdings. Sabre GLBL or its direct or indirect subsidiaries conduct all of our businesses. Our principal executive offices are located at 3150 Sabre Drive, Southlake, Texas 76092.

We are a leading technology solutions provider to the global travel and tourism industry. We span the breadth of the global travel ecosystem, providing key software and services to a broad range of travel suppliers and travel buyers. We connect the world's leading travel suppliers, including airlines, hotels, car rental brands, rail carriers, cruise lines and tour operators, with travel buyers in a comprehensive travel marketplace. We also offer travel suppliers an extensive suite of leading software solutions, ranging from airline and hotel reservations systems to high-value marketing and operations solutions, such as planning airline crew schedules, re-accommodating passengers during irregular flight operations and managing day-to-day hotel operations. These solutions allow our customers to market, distribute and sell their products more efficiently, manage their core operations, and deliver enhanced travel experiences.

Business Segments

We operate through two business segments: Travel Network and Airline and Hospitality Solutions. Financial information about our business segments and geographic areas is provided in Note 17, Segment Information, to our consolidated financial statements in Part II, Item 8 in this Annual Report on Form 10-K.

Travel Network

Travel Network is our global business-to-business travel marketplace and consists primarily of our global distribution system ("GDS") and a broad set of solutions that integrate with our GDS to add value for travel suppliers and travel buyers. Our GDS facilitates travel by efficiently bringing together travel content such as inventory, prices, and availability from a broad array of travel suppliers, including airlines, hotels, car rental brands, rail carriers, cruise lines and tour operators, with a large network of travel buyers, including online travel agencies ("OTAs"), offline travel agencies, travel management companies ("TMCs") and corporate travel departments.

During 2015, we expanded Travel Network's presence in the Asia Pacific (“APAC”) region through the acquisition of the remaining 65% interest in Abacus International Pte Ltd (“AIPL”), a Singapore-based business-to-business travel e-commerce provider that serves APAC. Prior to the acquisition, AIPL was 65% owned by a consortium of 11 airlines and the remaining 35% was owned by us.

Airline and Hospitality Solutions

Our Airline and Hospitality Solutions business offers a broad portfolio of software technology products and solutions, through software-as-a-service (“SaaS”) and hosted delivery model, to airlines, hotel properties and other travel suppliers. Airline and Hospitality Solutions aggregates our Airline Solutions and Hospitality Solutions operating segments.

Airline Solutions—Our Airline Solutions business provides industry-leading and comprehensive software solutions that help our airline customers better market, sell, serve and operate. We offer airline software solutions in three functional suites: our reservation system, SabreSonic Customer Sales & Service (“SabreSonic”); and our commercial and operations solutions, Sabre AirVision Marketing & Planning; and Sabre AirCentre Enterprise Operations. SabreSonic provides comprehensive capabilities around managing sales and customer service across an airline’s diverse touch points. Sabre AirVision Marketing & Planning is a set of strategic airline commercial planning solutions that focuses on helping our customers improve profitability and develop their brand. Sabre AirCentre Enterprise Operations is a set of strategic solutions that drive operational effectiveness through holistic planning and management of airline, airport and customer operations.

Hospitality Solutions—Our Hospitality Solutions business provides software and solutions to hotel properties around the world. Our offerings include distribution through our SynXis central reservation system (“CRS”), property management through SynXis Property Manager Solution (“PMS”), marketing services and consulting services that optimize distribution and marketing.

In January 2016, we completed the acquisition of the Trust Group of Companies (“Trust Group”), a central reservation, revenue management and hotel marketing provider with a significant presence in Europe, the Middle East and Africa (“EMEA”) and in APAC. Inclusive of this acquisition, we provide our software and solutions to over 30,000 hotel properties around the world.

Strategy

We provide innovative technology and solutions to help our travel industry customers succeed and grow. The key elements of our strategy include:

- Commitment to develop innovative technology products through investment of significant resources in solutions that address key customer needs which include retailing solutions, mobile capabilities, data analytics and business intelligence and workflow optimization.
- Geographic expansion beyond our traditional strengths by seeking to deepen our presence in high-growth geographies in Europe, including high-growth Eastern European markets, APAC and Latin America.
- Pursuit of new customers and marketplace content through seeking to actively add new travel supplier content to Travel Network and continuing to pursue new customers for our Airline and Hospitality Solutions business.
- Strengthen relationships with existing customers, including promoting the adoption of our products within and across our existing customers.

Customers

Travel Network customers consist of travel suppliers, including airlines, hotels, car rental brands, rail carriers, cruise lines, tour operators, attractions and services; a large network of travel buyers, including OTAs, offline travel agencies, TMCs and corporate travel departments; and travelers and other sellers of travel and consumers of travel information. Airline Solutions serves airlines of all sizes and in every region of the world, including hybrid carriers and low-cost carriers (collectively, “LCC/hybrids”), global network carriers and regional network carriers; and other customers such as airports, corporate aviation fleets, governments and tourism boards. Hospitality Solutions, inclusive of the acquisition of the Trust Group, has a global customer base of over 30,000 hotel properties of all sizes.

No individual customer accounted for more than 10% of our consolidated revenues for the years ended December 31, 2015 and 2014.

Sources of Revenue

Transactions—Bookings that generate fees directly to Travel Network ("Direct Billable Booking") include bookings made through our GDS (e.g., air, car and hotel bookings) and through our joint venture partners in cases where we are paid directly by the travel supplier. A transaction occurs when a travel agency or corporate travel department books or reserves, a travel supplier's product on our GDS, for which we receive a fee. Transaction fees include, but are not limited to transaction fees paid by travel suppliers for selling their inventory through our GDS and fees paid by travel agency subscribers related to their use of certain solutions integrated with our GDS. We receive revenue from the travel supplier and the travel agency according to the commercial arrangement with each.

SaaS and Hosted—Airline and Hospitality Solutions generates revenue through upfront solution fees and recurring usage-based fees for the use of our software solutions hosted on secure platforms or deployed via SaaS. We maintain our SaaS and hosted software and manage the related infrastructure. We collect the implementation fees and recurring usage-based fees pursuant to contracts with terms that typically range between three and ten years and generally include minimum annual volume requirements.

Consulting—Airline and Hospitality Solutions offerings that utilize the SaaS and hosted revenue model are sometimes sold as part of multiple-element agreements for which we also provide professional services. Our professional services consist primarily of consulting services focused on helping customers achieve better utilization of and return on their software investment. Often, we provide consulting services during the implementation phase of our SaaS solutions.

Software Licensing—Airline and Hospitality Solutions generates revenue from fees for the installation and use of our software products. Some contracts under this model generate additional revenue for the maintenance of the software product.

Media—Advertising revenue is generated by Travel Network from customers that advertise products on our GDS. Advertisers use two types of advertising metrics: (i) display advertising and (ii) action advertising. In display advertising, advertisers generally pay based on the number of customers who view the advertisement, and are charged based on cost-per-thousand impressions. In action advertising, advertisers generally pay based on the number of customers who perform a specific action, such as click on the advertisement, and are charged based on the cost per action.

Competition

We compete in highly competitive markets. Travel Network competes with several other regional and global travel marketplace providers, including other GDSs, local distribution systems and travel marketplace providers primarily owned by airlines or government entities and direct distribution by travel suppliers. In addition to other GDSs and direct distributors, there are a number of other competitors in the travel distribution marketplace, including new entrants in the travel space that offer metasearch capabilities that direct shoppers to supplier websites and/or OTAs, third party aggregators and peer-to-peer options for travel services. Airline Solutions operates in an industry that is very competitive and highly fragmented, which includes other providers of reservations systems and software applications solutions and airlines that develop their own software applications and reservations systems in-house. Primary competitors of Hospitality Solutions are in the hospitality CRS and PMS fields and hotels that develop their own software applications and CRSs in house, including global hotel chains.

Technology and Operations

Our technology strategy is based on achieving company-wide stability and performance at the most efficient price point. Significant investment has gone into building a centralized middleware environment with an emphasis on simplicity, security, and scalability. We invest heavily in software development, delivery and operational support capabilities and strive to provide best in class products for our customers. We operate standardized infrastructure in our data center environments across hardware, operating systems, databases, and other key enabling technologies to minimize costs on non-differentiators.

Our architecture has evolved from a mainframe centric transaction processing environment to a secure processing platform that is one of the world's most heavily used and resilient service oriented architecture ("SOA") environments. A variety of products and services run on this technology infrastructure: high volume air shopping systems; desktop access applications providing continuous, real-time data access to travel agents; airline operations and decision support systems; an array of customized applications available through the Sabre Red App Centre; and web based services that provide an automated interface between us and our travel suppliers and customers. The flexibility and scale of our standardized SOA based technology infrastructure allow us to quickly deliver a broad variety of SaaS and hosted solutions.

Intellectual Property

We use software, business processes and proprietary information to carry out our business. These assets and related intellectual property rights are significant assets of our business. We rely on a combination of patent, copyright, trade secret and trademark laws, confidentiality procedures, and contractual provisions to protect these assets and we license software and other intellectual property both to and from third parties. We may seek patent protection on technology, software and business processes relating to our business, and our software and related documentation may also be protected under trade secret and copyright laws where applicable. We may also benefit from both statutory and common law protection of our trademarks.

Although we rely heavily on our brands, associated trademarks, and domain names, we do not believe that our business is dependent on any single item of intellectual property, or that any single item of intellectual property is material to the operation of our business. However, since we consider trademarks to be a valuable asset of our business, we maintain our trademark portfolio throughout the world by filing trademark applications with the relevant trademark offices, renewing appropriate registrations and regularly monitoring potential infringement of our trademarks in certain key markets.

Government Regulation

We are subject to or affected by international, federal, state and local laws, regulations and policies, which are constantly subject to change. These laws, regulations and policies include GDS regulation in the European Union ("EU"), Canada, the United States and other locations.

We are subject to the application of data protection and privacy regulations in many of the countries in which we operate.

We are also subject to prohibitions administered by the Office of Foreign Assets Control (the "OFAC rules"), which prohibit U.S. persons from engaging in financial transactions with or relating to the prohibited individual, entity or country, require the blocking of assets in which the individual, entity or country has an interest, and prohibit transfers of property subject to U.S. jurisdiction (including property in the possession or control of U.S. persons) to such individual, entity or country.

Our businesses may also be subject to regulations affecting issues such as: trade sanctions, exports of technology, telecommunications, and e-commerce. These regulations may vary among jurisdictions.

See "Risk Factors—Any failure to comply with regulations or any changes in such regulations governing our businesses could adversely affect us."

Seasonality

The travel industry is seasonal in nature. Travel bookings for Travel Network, and the revenue we derive from those bookings, are typically seasonally strong in the first and third quarters, but decline significantly each year in the fourth quarter, primarily in December. We recognize air-related revenue at the date of booking and because customers generally book their November and December holiday leisure-related travel earlier in the year and business-related travel declines during the holiday season, revenue resulting from bookings is typically lower in the fourth quarter.

Employees

As of December 31, 2015, we employed approximately 9,100 people. We have not experienced any work stoppages and consider our relations with our employees to be good.

Available Information

We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith, we file reports, proxy and information statements and other information with the Securities and Exchange Commission ("SEC"). Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and other information to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act are available through the investor relations section of our website under the link investors.sabre.com/sec.cfm. Reports are available free of charge as soon as reasonably practicable after we electronically file them with, or furnish them to, the SEC. The information contained on our website is not incorporated by reference into this Annual Report on Form 10-K.

In addition to our website, you may read and copy public reports we file with or furnish to the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site that contains our reports, proxy and information statements, and other information that we file electronically with the SEC at www.sec.gov.

ITEM 1A. RISK FACTORS

The following risk factors may be important to understanding any statement in this Annual Report on Form 10-K or elsewhere. Our business, financial condition and operating results can be affected by a number of factors, whether currently known or unknown, including but not limited to those described below. Any one or more of such factors could directly or indirectly cause our actual results of operations and financial condition to vary materially from past or anticipated future results of operations and financial condition. Any of these factors, in whole or in part, could materially and adversely affect our business, financial condition, results of operations and stock price.

Our revenue is highly dependent on transaction volumes in the global travel industry, particularly air travel transaction volumes.

Our Travel Network and Airline and Hospitality Solutions revenue is largely tied to travel suppliers' transaction volumes rather than to their unit pricing for an airplane ticket, hotel room or other travel products. This revenue is generally not contractually committed to recur annually under our agreements with our travel suppliers. As a result, our revenue is highly dependent on the global travel industry, particularly air travel from which we derive a substantial amount of our revenue, and directly correlates with global travel, tourism and transportation transaction volumes. Our revenue is therefore highly susceptible to declines in or disruptions to leisure and business travel that may be caused by factors entirely out of our control, and therefore may not recur if these declines or disruptions occur.

Various factors may cause temporary or sustained disruption to leisure and business travel. The impact these disruptions would have on our business depends on the magnitude and duration of such disruption. These factors include, among others:

- general and local economic conditions;
- financial instability of travel suppliers and the impact of any fundamental corporate changes to such travel suppliers, such as airline bankruptcies or consolidations, on the cost and availability of travel content;
- factors that affect demand for travel such as outbreaks of contagious diseases, including Zika, Ebola and the MERS virus, increases in fuel prices, changing attitudes towards the environmental costs of travel and safety concerns;
- inclement weather, natural or man-made disasters;
- political events like acts or threats of terrorism, hostilities and war; and
- factors that affect supply of travel such as changes to regulations governing airlines and the travel industry, like government sanctions that do or would prohibit doing business with certain state-owned travel suppliers, work stoppages or labor unrest at any of the major airlines, hotels or airports.

Our Travel Network business and our Airline and Hospitality Solutions business depend on maintaining and renewing contracts with their customers and other counterparties.

In our Travel Network business, we enter into participating carrier distribution and services agreements with airlines. Our contracts with major carriers typically last for three- to five-year terms and are generally subject to automatic renewal at the end of the term, unless terminated by either party with the required advance notice. Our contracts with smaller airlines generally last for one year and are also subject to automatic renewal at the end of the term, unless terminated by either party with the required advance notice. Airlines are not contractually obligated to distribute exclusively through our GDS during the contract term and may terminate their agreements with us upon providing the required advance notice after the expiration of the initial term. We cannot guarantee that we will be able to renew our airline contracts in the future on favorable economic terms or at all.

We also enter into contracts with travel buyers. Although most of our travel buyer contracts have terms of one to three years, we typically have non-exclusive, five- to ten-year contracts with our major travel agency customers. We also typically have three- to five-year contracts with corporate travel departments, which generally renew automatically unless terminated with the required advance notice. A meaningful portion of our travel buyer agreements, typically representing approximately 15% to 20% of our bookings, are up for renewal in any given year. We cannot guarantee that we will be able to renew our travel buyer agreements in the future on favorable economic terms or at all.

Similarly, our Airline and Hospitality Solutions business is based on contracts with travel suppliers for a typical duration of three to seven years for airlines and one to five years for hotels. We cannot guarantee that we will be able to renew our solutions contracts in the future on favorable economic terms or at all.

Additionally, we use several third-party distributor partners and joint ventures to extend our GDS services in EMEA. The termination of our contractual arrangements with any such third-party distributor partners and joint ventures could adversely impact our Travel Network business in the relevant markets. See "—We rely on third-party distributor partners and joint ventures to extend our GDS services to certain regions, which exposes us to risks associated with lack of direct management control and potential conflicts of interest" for more information on our relationships with our third-party distributor partners and joint ventures.

Our failure to renew some or all of these agreements on economically favorable terms or at all, or the early termination of these existing contracts, would adversely affect the value of our Travel Network business as a marketplace due to our limited content and distribution reach, which could cause some of our subscribers to move to a competing GDS or use other travel technology providers for the solutions we provide and would materially harm our business, reputation and brand. Our business therefore relies on our ability to renew our agreements with our travel buyers, travel suppliers, third-party distributor partners and joint ventures or developing relationships with new travel buyers and travel suppliers to offset any customer losses.

We are subject to a certain degree of revenue concentration among a portion of our customer base. Because of this concentration among a small number of customers, if an event were to adversely affect one of these customers, it would have a material impact on our business.

Our Travel Network business is exposed to pricing pressure from travel suppliers.

Travel suppliers continue to look for ways to decrease their costs and to increase their control over distribution. For example, the consolidation in the airline industry and the recent economic downturn, among other factors, have driven some airlines to negotiate for lower fees during contract renegotiations, thereby exerting increased pricing pressure on our Travel Network business, which, in turn, negatively affects our revenues and margins. In addition, travel suppliers' use of alternative distribution channels, such as direct distribution through supplier-operated websites, may also adversely affect our contract renegotiations with these suppliers and negatively impact our transaction fee revenue. For example, as we attempt to renegotiate new agreements with our travel suppliers, they may withhold some or all of their content (fares and associated economic terms) for distribution exclusively through their direct distribution channels (for example, the relevant airline's website) or offer travelers more attractive terms for content available through those direct channels after their contracts expire. As a result of these sources of negotiating pressure, we may have to decrease our prices to retain their business. If we are unable to renew our contracts with these travel suppliers on similar economic terms or at all, or if our ability to provide such content is similarly impeded, this would also adversely affect the value of our Travel Network business as a marketplace due to our more limited content. See "—Travel suppliers' use of alternative distribution models, such as direct distribution models, could adversely affect our Travel Network business."

Our Travel Network business depends on relationships with travel buyers.

Our Travel Network business relies on relationships with several large travel buyers, including TMCs and OTAs, to generate a large portion of its revenue through bookings made by these travel companies. Such revenue concentration in a relatively small number of travel buyers makes us particularly dependent on factors affecting those companies. For example, if demand for their services decreases, or if a key supplier pulls its content from us, travel buyers may stop utilizing our services or move all or some of their business to competitors or competing channels.

Although our contracts with larger travel agencies often increase the incentive consideration when the travel agency processes a certain volume or percentage of its bookings through our GDS, travel buyers are not contractually required to book exclusively through our GDS during the contract term. Travel buyers may shift bookings to other distribution intermediaries for many reasons, including to avoid becoming overly dependent on a single source of travel content or to increase their bargaining power with GDS providers. Additionally, some regulations allow travel buyers to terminate their contracts earlier.

These risks are exacerbated by increased consolidation among travel agencies and TMCs, which may ultimately reduce the pool of travel agencies that subscribe to GDSs. We must compete with other GDSs and other competitors for their business by offering competitive upfront incentive consideration, which, due to the strong bargaining power of these large travel buyers, tend to increase in each round of contract renewals. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting our Results—Increasing travel agency incentive consideration" for more information about our incentive consideration. However, any reduction in transaction fees from travel suppliers due to supplier consolidation or other market forces could limit our ability to increase incentive consideration to travel agencies in a cost-effective manner or otherwise affect our margins.

Our travel supplier customers may experience financial instability or consolidation, pursue cost reductions, change their distribution model or undergo other changes.

We generate the majority of our revenue and accounts receivable from airlines. We also derive revenue from hotels, car rental brands, rail carriers, cruise lines, tour operators and other suppliers in the travel and tourism industries. Adverse changes in any of these relationships or the inability to enter into new relationships could negatively impact the demand for and competitiveness of our travel products and services. For example, a lack of liquidity in the capital markets or weak economic performance may cause our travel suppliers to increase the time they take to pay or to default on their payment obligations, which could lead to a higher level of bad debt expense and negatively affect our results. Any large-scale bankruptcy or other insolvency proceeding of an airline or hospitality supplier could subject our agreements with that customer to rejection or early termination. Because we generally do not require security or collateral from our customers as a condition of sale, our revenues may be subject to credit risk more generally.

Furthermore, supplier consolidation, particularly in the airline industry, could harm our business. Our Travel Network business depends on a relatively small number of U.S.-based airlines for a substantial portion of its revenue, and all of our businesses are highly dependent on airline ticket volumes. Consolidation among airlines could result in the loss of an existing customer and the related fee revenue, decreased airline ticket volumes due to capacity restrictions implemented concurrently with the consolidation, and increased airline concentration and bargaining power to negotiate lower transaction fees. In addition, consolidation among travel suppliers may result in one or more suppliers refusing to provide certain content to Sabre but rather making it exclusively available on the suppliers' proprietary websites, hurting the competitive position of our GDS relative to those websites. See "—Travel suppliers' use of alternative distribution models, such as direct distribution models, could adversely affect our Travel Network business."

Our business could be harmed by adverse global and regional economic and political conditions.

Travel expenditures are sensitive to personal and business discretionary spending levels and grow more slowly or decline during economic downturns. We derive the majority of our revenue from the United States and Europe. During 2015 we expanded Travel Network's presence in APAC through the acquisition of AIPL. Our geographic concentration in the United States and Europe, as well as our expanded focus in APAC, makes our business potentially vulnerable to economic and political conditions that adversely affect business and leisure travel originating in or traveling to these regions.

Despite modest growth in the U.S. economy, there is still weakness in parts of the global economy, including increased unemployment, reduced financial capacity of both business and leisure travelers, diminished liquidity and credit availability, declines in consumer confidence and discretionary income and general uncertainty about economic stability. We cannot predict the magnitude, length or recurrence of recessionary economic patterns, which have impacted, and may continue to impact, demand for travel and lead to reduced spending on the services we provide.

We derive the remainder of our revenues from Latin America, the Middle East and Africa and APAC. Any unfavorable economic, political or regulatory developments in these regions could negatively affect our business, such as delays in payment or non-payment of contracts, delays in contract implementation or signing, carrier control issues and increased costs from regulatory changes particularly as parts of our growth strategy involve expanding our presence in these emerging markets. For example, markets that have traditionally had a high level of exports to China, or that have commodities-based economies, have recently experienced slowing or deteriorating economic conditions. These adverse economic conditions may negatively impact our business results in those regions.

Similarly, in Venezuela, due to currency controls that impact the ability of certain of our airline customers operating in the country to obtain U.S. dollars to make timely payments to us, the collection of accounts receivable due to us can be, and has been, delayed. Due to the nature of this delay, we are deferring the recognition of any future revenues until cash is collected in accordance with our policies. Accordingly, our accounts receivable are subject to a general collection risk, as there can be no assurance that we will be paid from such customers in a timely manner, if at all. In response to the political and economic uncertainty in Venezuela, certain airlines have scaled back operations in response to the reduced demand for travel by local consumers as well as the currency controls which has impacted our airline customers in Venezuela.

Travel suppliers' use of alternative distribution models, such as direct distribution models, could adversely affect our Travel Network business.

Some travel suppliers that provide content to Travel Network, including some of Travel Network's largest airline customers, have sought to increase usage of direct distribution channels. For example, these travel suppliers are trying to move more consumer traffic to their proprietary websites, and some travel suppliers have explored direct connect initiatives linking their internal reservations systems directly with travel agencies or TMCs, thereby bypassing the GDSs. This direct distribution trend enables them to apply pricing pressure on intermediaries and negotiate travel distribution arrangements that are less favorable to intermediaries. With travel suppliers' adoption of certain technology solutions over the last decade, including those offered by our Airline and Hospitality Solutions business, air travel suppliers have increased the proportion of direct bookings relative to indirect bookings. In the future, airlines may increase their use of direct distribution, which may cause a material decrease in their use of our GDS. Travel suppliers may also offer travelers advantages through their websites such as special fares and bonus miles, which could make their offerings more attractive than those available through our GDS platform.

In addition, with respect to ancillary products, travel suppliers may choose not to comply with the technical standards that would allow ancillary products to be immediately distributed via intermediaries, thus resulting in a delay before these products become available through our GDS relative to availability through direct distribution. In addition, if enough travel suppliers choose not to develop ancillary products in a standardized way with respect to technical standards our investment in adapting our various systems to enable the sale of ancillary products may not be successful.

Companies with close relationships with end consumers, like Facebook, as well as new entrants introducing new paradigms into the travel industry, such as metasearch engines, may promote alternative distribution channels to our GDS by diverting consumer traffic away from intermediaries, which may adversely affect our GDS business.

Additionally, technological advancements may allow airlines and hotels to facilitate broader connectivity to and integration with large travel buyers, such that certain airline and hotel offerings could be made available directly to such travel buyers without the involvement of intermediaries such as Travel Network and its competitors.

We operate a global business that exposes us to risks associated with international activities.

Our international operations involve risks that are not generally encountered when doing business in the United States. These risks include, but are not limited to:

- business, political and economic instability in foreign locations, including actual or threatened terrorist activities, and military action;
- changes in foreign currency exchange rates and financial risk arising from transactions in multiple currencies;
- adverse laws and regulatory requirements, including more comprehensive regulation in the EU;
- difficulty in developing, managing and staffing international operations because of distance, language and cultural differences;
- disruptions to or delays in the development of communication and transportation services and infrastructure;
- consumer attitudes, including the preference of customers for local providers;
- increasing labor costs due to high wage inflation in foreign locations, differences in general employment conditions and the degree of employee unionization and activism;
- export or trade restrictions or currency controls;
- more restrictive data privacy requirements;
- governmental policies or actions, such as consumer, labor and trade protection measures;
- taxes, restrictions on foreign investment and limits on the repatriation of funds;
- diminished ability to legally enforce our contractual rights; and
- decreased protection for intellectual property.

Any of the foregoing risks may adversely affect our ability to conduct and grow our business internationally.

The travel distribution market is highly competitive, and we are subject to competition from other GDS providers, direct distribution by travel suppliers and new entrants or technologies that may challenge the GDS business model.

The evolution of the global travel and tourism industry, the introduction of new technologies and standards and the expansion of existing technologies in key markets, among other factors, could contribute to an intensification of competition in the business areas and regions in which we operate. Increased competition could require us to increase spending on marketing activities or product development, to decrease our booking or transaction fees and other charges (or defer planned increases in such fees and charges), to increase incentive consideration or take other actions that could harm our business. A GDS has two broad categories of customers: (i) travel suppliers, such as airlines, hotels, car rental brands, rail carriers, cruise lines and tour operators, and (ii) travel buyers, such as online and offline travel agencies, TMCs and corporate travel departments. The competitive positioning of a GDS depends on the success it achieves with both customer categories. Other factors that may affect the competitive success of a GDS include the comprehensiveness, timeliness and accuracy of the travel content offered, the reliability, ease of use and innovativeness of the technology, the incentive consideration provided to travel agencies, the transaction fees charged to travel suppliers and the range of products and services available to travel suppliers and travel buyers. Our GDS competitors could seek to capture market share by offering more differentiated content, products or services, increasing the incentive consideration to travel agencies, or decreasing the transaction fees charged to travel suppliers, which would harm our business to the extent they gain market share from us or force us to respond by lowering our prices or increasing the incentive consideration we provide.

We cannot guarantee that we will be able to compete successfully against our current and future competitors in the travel distribution market, some of which may achieve greater brand recognition than us, have greater financial, marketing, personnel and other resources or be able to secure services and products from travel suppliers on more favorable terms. If we fail to overcome these competitive pressures, we may lose market share and our business may otherwise be negatively affected.

Our ability to maintain and grow our Airline and Hospitality Solutions business may be negatively affected by competition from other third-party solutions providers and new participants that seek to enter the solutions market.

Our Airline and Hospitality Solutions business principally faces competition from existing third-party solutions providers. We also compete with various point solutions providers on a more limited basis in several discrete functional areas. For our Hospitality Solutions business, we face competition across many aspects of our business but our primary competitors are in the hospitality CRS and PMS fields. Although new entrants specializing in a particular type of software occasionally enter the solutions market, they typically focus on emerging or evolving business problems, niche solutions or small regional customers.

Factors that may affect the competitive success of our Airline and Hospitality Solutions business include our pricing structure, our ability to keep pace with technological developments, the effectiveness and reliability of our implementation and system migration processes, our ability to meet a variety of customer specifications, the effectiveness and reliability of our systems, the cost and efficiency of our system upgrades and our customer support services. Our failure to compete effectively on these and other factors could decrease our market share and negatively affect our Airline and Hospitality Solutions business.

Our success depends on maintaining the integrity of our systems and infrastructure, which may suffer from failures, capacity constraints, business interruptions and forces outside of our control.

We may be unable to maintain and improve the efficiency, reliability and integrity of our systems. Unexpected increases in the volume of our business could exceed system capacity, resulting in service interruptions, outages and delays. Such constraints can also lead to the deterioration of our services or impair our ability to process transactions. We occasionally experience system interruptions that make certain of our systems unavailable including, but not limited to, our GDS and the services that our Airline and Hospitality Solutions business provides to airlines and hotels. System interruptions may prevent us from efficiently providing services to customers or other third parties, which could cause damage to our reputation and result in our losing customers and revenues or cause us to incur litigation and liabilities. Although we have contractually limited our liability for damages caused by outages of our GDS (other than damages caused by our gross negligence or willful misconduct), we cannot guarantee that we will not be subject to lawsuits or other claims for compensation from our customers in connection with such outages for which we may not be indemnified or compensated.

Our systems may also be susceptible to external damage or disruption. Much of the computer and communications hardware upon which we depend is located across multiple data center facilities in a single geographic region. Our systems could be damaged or disrupted by power, hardware, software or telecommunication failures, human errors, natural events including floods, hurricanes, fires, winter storms, earthquakes and tornadoes, terrorism, break-ins, hostilities, war or similar events. Computer viruses, malware, denial of service attacks, physical or electronic break-ins and similar disruptions affecting the Internet, telecommunication services or our systems could cause service interruptions or the loss of critical data, and could prevent us from providing timely services. See “—Security breaches could expose us to liability and damage our reputation and our business.” Failure to efficiently provide

services to customers or other third parties could cause damage to our reputation and result in the loss of customers and revenues, significant recovery costs or litigation and liabilities. Moreover, such risks are likely to increase as we expand our business and as the tools and techniques involved become more sophisticated.

Although we have implemented measures intended to protect certain systems and critical data and provide comprehensive disaster recovery and contingency plans for certain customers that purchase this additional protection, these protections and plans are not in place for all systems. Furthermore, several of our existing critical backup systems are located in the same metropolitan area as our primary systems and we may not have sufficient disaster recovery tools or resources available, depending on the type or size of the disruption. Disasters affecting our facilities, systems or personnel might be expensive to remedy and could significantly diminish our reputation and our brands, and we may not have adequate insurance to cover such costs.

Customers and other end-users who rely on our software products and services, including our SaaS and hosted offerings, for applications that are integral to their businesses may have a greater sensitivity to product errors and security vulnerabilities than customers for software products generally. Additionally, security breaches that affect third parties upon which we rely, such as travel suppliers, may further expose us to negative publicity, possible liability or regulatory penalties. Events outside our control could cause interruptions in our IT systems, which could have a material adverse effect on our business operations and harm our reputation.

Security breaches could expose us to liability and damage our reputation and our business.

We process, store, and transmit large amounts of data, including personal information of our customers, and it is critical to our business strategy that our facilities and infrastructure, including those provided by HP Enterprises, LLC ("HPE") or other vendors, remain secure and are perceived by the marketplace to be secure. Our infrastructure may be vulnerable to physical break-ins, computer viruses, or similar disruptive problems.

In addition, we, like most technology companies, are the target of cybercriminals who attempt to compromise our systems. From time to time, we experience cybersecurity incidents that have to be identified and remediated to protect sensitive information along with our intellectual property and our overall business. To address these threats and intrusions, we have a team of experienced security experts and support from firms that specialize in cybersecurity. We recently were made aware of a cybersecurity incident involving several servers managed by a third party. Accordingly, we conducted an investigation with respect to this incident. We have concluded this investigation, and our review found no loss of traveler data, including no unauthorized access to or acquisition of sensitive protected information, such as payment card industry data ("PCI") or personally identifiable information ("PII"), in connection with this incident. There is a risk that additional incidents could occur and sensitive or material information could be compromised in the future. The costs of any investigation of such future incidents, as well as any remediation of the costs related to these incidents, may be material.

Any physical or electronic break-in, cybersecurity incidents or other security breach or compromise of the information handled by us or our service providers may jeopardize the security or integrity of information in our computer systems and networks or those of our customers and cause significant interruptions in our and our customers' operations.

Any systems and processes that we have developed that are designed to protect customer information and prevent data loss and other security breaches cannot provide absolute security. In addition, we may not successfully implement remediation plans to address all potential exposures. It is possible that we may have to expend additional financial and other resources to address such problems. Failure to prevent or mitigate data loss or other security breaches could expose us or our customers to a risk of loss or misuse of such information, cause customers to lose confidence in our data protection measures, damage our reputation, adversely affect our operating results or result in litigation or potential liability for us. While we maintain insurance coverage that may, subject to policy terms and conditions, cover certain aspects of cyber risks, such insurance coverage is subject to a retention amount and may be insufficient to cover all our losses beyond any retention.

Implementation of software solutions often involves a significant commitment of resources, and any failure to deliver as promised on a significant implementation could adversely affect our business.

In our Travel Network business and our Airline and Hospitality Solutions business, the implementation of software solutions often involves a significant commitment of resources and is subject to a number of significant risks over which we may or may not have control. These risks include:

- the features of the implemented software may not meet the expectations or fit the business model of the customer;

- our limited pool of trained experts for implementations cannot quickly and easily be augmented for complex implementation projects, such that resources issues, if not planned and managed effectively, could lead to costly project delays;
- customer-specific factors, such as the stability, functionality, interconnection and scalability of the customer's pre-existing information technology infrastructure, as well as financial or other circumstances could destabilize, delay or prevent the completion of the implementation process, which, for airline reservations systems, typically takes 12 to 18 months; and
- customers and their partners may not fully or timely perform the actions required to be performed by them to ensure successful implementation, including measures we recommend to safeguard against technical and business risks.

As a result of these and other risks, some of our customers may incur large, unplanned costs in connection with the purchase and installation of our software products. Also, implementation projects could take longer than planned or fail. We may not be able to reduce or eliminate protracted installation or significant additional costs. Significant delays or unsuccessful customer implementation projects could result in claims from customers, harm our reputation and negatively impact our operating results.

We rely on the availability and performance of information technology services provided by third parties, including HPE, which manages a significant portion of our systems.

Our businesses are largely dependent on the computer data centers and network systems operated for us by HPE, including through our recently amended agreement with HPE. We also rely on other developers and service providers to maintain and support our global telecommunications infrastructure, including to connect our computer data center and call centers to end-users.

Our success is dependent on our ability to maintain effective relationships with these third-party technology and service providers. Some of our agreements with third-party technology and service providers are terminable for cause on short notice and often provide limited recourse for service interruptions. For example, our agreement with HPE provides us with limited indemnification rights. We could face significant additional cost or business disruption if:

- Any of these providers fail to enable us to provide our customers and suppliers with reliable, real-time access to our systems. For example, in 2013, we experienced a significant outage of the Sabre platform due to a failure on the part of one of our service providers. This outage, which affected both our Travel Network business and our Airline Solutions business, lasted several hours and caused significant problems for our customers. Any such future outages could cause damage to our reputation, customer loss and require us to pay compensation to affected customers for which we may not be indemnified or compensated.
- Our arrangements with such providers are terminated or impaired and we cannot find alternative sources of technology or systems support on commercially reasonable terms or on a timely basis. For example, our substantial dependence on HPE for many of our systems makes it difficult for us to switch vendors and makes us more sensitive to changes in HPE's pricing for its services.

Any inability or failure to adapt to technological developments or the evolving competitive landscape could harm our business operations and competitiveness.

We depend upon the use of sophisticated information technology and systems. Our competitiveness and future results depend on our ability to maintain and make timely and cost-effective enhancements, upgrades and additions to our products, services, technologies and systems in response to new technological developments, industry standards and trends and customer demands. For example, we currently utilize mainframe infrastructure technology for certain of our enterprise applications and platforms due to its ability to provide the reliability and scalability we require for our complex technological operations. Because the number of users and programmers able to service this technology is decreasing, we may eventually have to migrate to another business environment, which could cause us to incur substantial costs, result in instability and business interruptions and materially harm our business.

Adapting to new technological and marketplace developments, such as IATA's proposed new distribution capability ("NDC"), may require substantial expenditures and lead time and we cannot guarantee that projected future increases in business volume will actually materialize. We may experience difficulties that could delay or prevent the successful development, marketing and implementation of enhancements, upgrades and additions. Moreover, we may fail to maintain, upgrade or introduce new products, services, technologies and systems as quickly as our competitors or in a cost-effective manner. For example, we must constantly update our GDS with new capabilities to adapt to the changing technological environment and customer needs. However, this process can be costly and time-consuming, and our efforts may not be successful as compared to our competitors in the travel

distribution market. Those that we do develop may not achieve acceptance in the marketplace sufficient to generate material revenue or may be rendered obsolete or non-competitive by our competitors' offerings.

In addition, our competitors are constantly increasing their product and service offerings through organic research and development or through strategic acquisitions. As a result, we must continue to invest significant resources in research and development in order to continually improve the speed, accuracy and comprehensiveness of our services and we may be required to make changes to our technology platforms or increase our investment in technology, increase marketing, adjust prices or business models and take other actions, which could affect our financial performance and liquidity.

We use open source software in our solutions that may subject our software solutions to general release or require us to re-engineer our solutions.

We use open source software in our solutions and may use more open source software in the future. From time to time, there have been claims by companies claiming ownership of software that was previously thought to be open source and that was incorporated by other companies into their products. As a result, we could be subject to suits by parties claiming ownership of what we believe to be open source software. Some open source licenses contain requirements that we make available source code for modifications or derivative works we create based upon the open source software and that we license such modifications or derivative works under the terms of a particular open source license or other license granting third parties certain rights of further use. If we combine or, in some cases, link our proprietary software solutions with or to open source software in a certain manner, we could, under certain of the open source licenses, be required to release the source code of our proprietary software solutions or license such proprietary solutions under the terms of a particular open source license or other license granting third parties certain rights of further use. In addition to risks related to license requirements, usage of open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or controls on origin of the software. In addition, open source license terms may be ambiguous and many of the risks associated with usage of open source cannot be eliminated, and could, if not properly addressed, negatively affect our business. If we were found to have inappropriately used open source software, we may be required to seek licenses from third parties in order to continue offering our software, to re-engineer our solutions, to discontinue the sale of our solutions in the event re-engineering cannot be accomplished on a timely basis or take other remedial action that may divert resources away from our development efforts, any of which could adversely affect our business, operating results and financial condition.

Our ability to recruit, train and retain employees, including our key executive officers and technical employees, is critical to our results of operations and future growth.

Our continued ability to compete effectively depends on our ability to recruit new employees and retain and motivate existing employees, particularly professionals with experience in our industry, information technology and systems. For example, the specialized skills we require can be difficult and time-consuming to acquire and are often in short supply. There is high demand and competition for well-qualified employees on a global basis, such as software engineers, developers and other technology professionals with specialized knowledge in software development, especially expertise in certain programming languages. This competition affects both our ability to retain key employees and to hire new ones.

Any of our employees may choose to terminate their employment with us at any time, and a lengthy period of time is required to hire and train replacement employees when such skilled individuals leave the company. In addition, our board of directors recently considered the performance of our chief executive officer and, while acknowledging his strong operational and financial performance, found he had demonstrated shortcomings in other leadership areas. Consequently, our board recommended to our compensation committee that it reduce the discretionary compensation to be awarded our chief executive officer in 2016.

If we fail to attract well-qualified employees or to retain or motivate existing employees, our business could be materially hindered by, for example, a delay in our ability to deliver products and services under contract, bring new products and services to market or respond swiftly to customer demands or new offerings from competitors. Even if we are able to maintain our employee base, the resources needed to recruit and retain such employees may adversely affect our business, financial condition and results of operations.

We rely on third-party distributor partners and joint ventures to extend our GDS services to certain regions, which exposes us to risks associated with lack of direct management control and potential conflicts of interest.

Our Travel Network business utilizes third-party distributor partners and joint ventures to extend our GDS services in EMEA and APAC. We work with these partners to establish and maintain commercial and customer service relationships with both travel suppliers and travel buyers. Since we do not exercise management control over their day-to-day operations, the success of their marketing efforts and the quality of the services they provide are beyond our control. If these partners do not meet our standards for distribution, our reputation may suffer materially, and sales in those regions could decline significantly. Any interruption in these third-party services, deterioration in their performance or termination of our contractual arrangements with them could negatively impact our ability to extend our GDS services in the relevant markets. In addition, our business may be harmed due to potential conflicts of interest with our joint venture partners.

We are exposed to risks associated with acquiring or divesting businesses or business operations.

We have acquired, and, as part of our growth strategy, may in the future acquire, businesses or business operations, including our recent acquisition of Abacus (as defined below). We may not be able to identify suitable candidates for additional business combinations and strategic investments, obtain financing on acceptable terms for such transactions, obtain necessary regulatory approvals or otherwise consummate such transactions on acceptable terms, or at all. Any acquisitions that we are able to identify and complete may also involve a number of risks, including our inability to successfully or profitably integrate, operate, maintain and manage our newly acquired operations or employees; the diversion of our management's attention from our existing business to integrate operations and personnel; possible material adverse effects on our results of operations during the integration process; becoming subject to contingent or other liabilities, including liabilities arising from events or conduct predating the acquisition that were not known to us at the time of the acquisition; and our possible inability to achieve the intended objectives of the transaction, including the inability to achieve cost savings and synergies. Acquisitions may also have unanticipated tax, regulatory and accounting ramifications, including recording goodwill and nonamortizable intangible assets that are subject to impairment testing on a regular basis and potential periodic impairment charges and incurring amortization expenses related to certain intangible assets. To consummate any such transactions, we may need to raise external funds through the sale of equity or debt in the capital markets or through private placements, which may affect our liquidity and may dilute the value of our common stock.

We have also divested, and may in the future divest, businesses or business operations. Any divestitures may involve a number of risks, including the diversion of management's attention, significant costs and expenses, the loss of customer relationships and cash flow, and the disruption of the affected business or business operations. Failure to timely complete or to consummate a divestiture may negatively affect the valuation of the affected business or business operations or result in restructuring charges.

We rely on the value of our brands, which may be damaged by a number of factors, some of which are out of our control.

We believe that maintaining and expanding our portfolio of product and service brands are important aspects of our efforts to attract and expand our customer base. Our brands may be negatively impacted by, among other things, unreliable service levels from third-party providers, customers' inability to properly interface their applications with our technology, the loss or unauthorized disclosure of personal data, including PCI or PII, or other bad publicity due to litigation, regulatory concerns or otherwise relating to our business. See "—Security breaches could expose us to liability and damage our reputation and our business." Any inability to maintain or enhance awareness of our brands among our existing and target customers could negatively affect our current and future business prospects.

We are involved in various legal proceedings which may cause us to incur significant fees, costs and expenses and may result in unfavorable outcomes.

We are involved in various legal proceedings that involve claims for substantial amounts of money or which involve how we conduct our business. See "Legal Proceedings" in Part I, Item 3. For example, we are involved in antitrust litigation with US Airways. If we cannot resolve this matter favorably, we could be subject to (i) monetary damages, including treble damages under the antitrust laws, payment of reasonable attorneys' fees and costs, and depending on the amount of any such judgment, if we do not have sufficient cash on hand, we may be required to seek financing from private or public financing or (ii) declaratory relief. Other parties might likewise seek to benefit from any unfavorable outcome by bringing their own claims against us on the same or similar grounds. We are also subject to a U.S. Department of Justice ("DOJ") antitrust investigation from 2011 relating to the pricing and conduct of the airline distribution industry. We received a civil investigative demand ("CID") from the DOJ and we are fully cooperating. The DOJ has also sent CIDs to other companies in the travel industry. Based on its findings in the investigation, the DOJ may (i) close the file, (ii) seek a consent decree to remedy issues it believes violate the antitrust laws, or (iii) file suit against us for violating the antitrust laws, seeking injunctive relief. With respect to both the US Airways and DOJ proceedings, if

declaratory relief were to be granted, depending on its scope, it could affect the manner in which our airline distribution business is operated and potentially force changes to the existing airline distribution business model.

Additionally, a number of state and local governments have filed lawsuits against us pertaining to sales or occupancy taxes they claim are due on some or all of our fees relating to hotel content distributed and sold via the merchant revenue model by our discontinued Travelocity business. In the merchant revenue model, the customer pays us an amount at the time of booking that includes (i) service fees, which we collect and retain, and (ii) the price of the hotel room and amounts for occupancy or other local taxes, which we pass along to the hotel supplier. Even if we are successful in defending these types of lawsuits, state and local governments could adopt new ordinances directly taxing hotel booking fees and we may not be able to successfully challenge such ordinances.

The defense of these actions, as well as any of the other actions described under "Legal Proceedings" in Part I, Item 3 and any other actions brought against us in the future, is time consuming and diverts management's attention. Even if we are ultimately successful in defending ourselves in such matters, we are likely to incur significant fees, costs and expenses as long as they are ongoing. Any of these consequences could have a material adverse effect on our business, financial condition and results of operations.

Intellectual property infringement actions against us could be costly and time consuming to defend and may result in business harm if we are unsuccessful in our defense.

Third parties may assert, including by means of counterclaims against us as a result of the assertion of our intellectual property rights, that our products, services or technology, or the operation of our business, violate their intellectual property rights. We are currently subject to such assertions, including patent infringement claims, and may be subject to such assertions in the future. These assertions may also be made against our customers who may seek indemnification from us. In the ordinary course of business, we enter into agreements that contain indemnity obligations whereby we are required to indemnify our customers against these assertions arising from our customers' usage of our products, services or technology. As the competition in our industry increases and the functionality of technology offerings further overlaps, these claims and counterclaims could become more common. We cannot be certain that we do not or will not infringe third parties' intellectual property rights.

Legal proceedings involving intellectual property rights are highly uncertain, and can involve complex legal and scientific questions. Any intellectual property claim against us, regardless of its merit, could result in significant liabilities to our business, and can be expensive and time consuming to defend. Depending on the nature of such claims, our businesses may be disrupted, our management's attention and other company resources may be diverted and we may be required to redesign, reengineer or rebrand our products and services, if feasible, to stop offering certain products and services or to enter into royalty or licensing agreements in order to obtain the rights to use necessary technologies, which may not be available on terms acceptable to us, if at all, and may result in a decrease of our competitive advantage. Our failure to prevail in such matters could result in loss of intellectual property rights, judgments awarding substantial damages, including possible treble damages and attorneys' fees, and injunctive or other equitable relief against us. If we are held liable, we may be unable to exploit some or all of our intellectual property rights or technology. Even if we are not held liable, we may choose to settle claims by making a monetary payment or by granting a license to intellectual property rights that we otherwise would not license. Further, judgments may result in loss of reputation, may force us to take costly remediation actions, delay selling our products and offering our services, reduce features or functionality in our services or products, or cease such activities altogether. Insurance may not cover or be insufficient for any such claim.

We may not have sufficient insurance to cover our liability in pending litigation claims and future claims either due to coverage limits or as a result of insurance carriers seeking to deny coverage of such claims, which in either case could expose us to significant liabilities.

We maintain third-party insurance coverage against various liability risks, including securities, stockholders, derivative, ERISA, and product liability claims, as well as other claims that form the basis of litigation matters pending against us. We believe these insurance programs are an effective way to protect our assets against liability risks. However, the potential liabilities associated with litigation matters pending against us, or that could arise in the future, could exceed the coverage provided by such programs. In addition, our insurance carriers have sought or may seek to rescind or deny coverage with respect to pending claims or lawsuits, completed investigations or pending or future investigations and other legal actions against us. See "Legal Proceedings—Insurance Carriers" in Part I, Item 3 for more information on our current litigation with our insurance carriers. If we do not have sufficient coverage under our policies, or if the insurance companies are successful in rescinding or denying coverage, we may be required to make material payments in connection with third-party claims.

We may not be able to protect our intellectual property effectively, which may allow competitors to duplicate our products and services.

Our success and competitiveness depend, in part, upon our technologies and other intellectual property, including our brands. Among our significant assets are our proprietary and licensed software and other proprietary information and intellectual property rights. We rely on a combination of copyright, trademark and patent laws, laws protecting trade secrets, confidentiality procedures and contractual provisions to protect these assets both in the United States and in foreign countries. The laws of some jurisdictions may provide less protection for our technologies and other intellectual property assets than the laws of the United States.

There is no certainty that our intellectual property rights will provide us with substantial protection or commercial benefit. Despite our efforts to protect our intellectual property, some of our innovations may not be protectable, and our intellectual property rights may offer insufficient protection from competition or unauthorized use, lapse or expire, be challenged, narrowed, invalidated, or misappropriated by third parties, or be deemed unenforceable or abandoned, which could have a material adverse effect on our business, financial condition and results of operations and the legal remedies available to us may not adequately compensate us. We cannot be certain that others will not independently develop, design around, or otherwise acquire equivalent or superior technology or intellectual property rights.

- While we take reasonable steps to protect our brands and trademarks, we may not be successful in maintaining or defending our brands or preventing third parties from adopting similar brands. If our competitors infringe our principal trademarks, our brands may become diluted or if our competitors introduce brands or products that cause confusion with our brands or products in the marketplace, the value that our consumers associate with our brands may become diminished, which could negatively impact revenue.
- Our patent applications may not be granted, and the patents we own could be challenged, invalidated, narrowed or circumvented by others and may not be of sufficient scope or strength to provide us with any meaningful protection or commercial advantage. Once our patents expire, or if they are invalidated, narrowed or circumvented, our competitors may be able to utilize the technology protected by our patents which may adversely affect our business.
- Although we rely on copyright laws to protect the works of authorship created by us, we do not generally register the copyrights in our copyrightable works where such registration is permitted. Copyrights of U.S. origin must be registered before the copyright owner may bring an infringement suit in the United States. Accordingly, if one of our unregistered copyrights of U.S. origin is infringed by a third party, we will need to register the copyright before we can file an infringement suit in the United States, and our remedies in any such infringement suit may be limited.
- We use reasonable efforts to protect our trade secrets. However, protecting trade secrets can be difficult and our efforts may provide inadequate protection to prevent unauthorized use, misappropriation, or disclosure of our trade secrets, know how, or other proprietary information.
- We also rely on our domain names to conduct our online businesses. While we use reasonable efforts to protect and maintain our domain names, if we fail to do so the domain names may become available to others. Further, the regulatory bodies that oversee domain name registration may change their regulations in a way that adversely affects our ability to register and use certain domain names.

We license software and other intellectual property from third parties. These licensors may breach or otherwise fail to perform their obligations, or claim that we have breached or otherwise attempt to terminate their license agreements with us. We also rely on license agreements to allow third parties to use our intellectual property rights, including our software, but there is no guarantee that our licensees will abide by the terms of our license agreements or that the terms of our agreements will always be enforceable.

In addition, policing unauthorized use of and enforcing intellectual property can be difficult and expensive. The fact that we have intellectual property rights, including registered intellectual property rights, may not guarantee success in our attempts to enforce these rights against third parties. Besides general litigation risks, changes in, or interpretations of, intellectual property laws may compromise our ability to enforce our rights. We may not be aware of infringement or misappropriation, or elect not to seek to prevent it. Our decisions may be based on a variety of factors, such as costs and benefits of taking action, and contextual business, legal, and other issues. Any inability to adequately protect our intellectual property on a cost-effective basis could harm our business.

Defects in our products may subject us to significant warranty liabilities or product liability claims and we may have insufficient product liability insurance to pay material uninsured claims.

Our Airline and Hospitality Solutions business exposes us to the risk of product liability claims that are inherent in software development. We may inadvertently create defective software, or supply our customers with defective software or software components that we acquire from third parties, which could result in personal injury, property damage or other liabilities, and may result in warranty or product liability claims brought against us, our travel supplier customers or third parties.

Under our Airline and Hospitality Solutions business' agreements, we generally must indemnify our customers for liability arising from intellectual property infringement claims with respect to our software. These indemnification obligations could be significant and we may not have adequate insurance coverage to protect us against all claims. We currently rely on a combination of self-insurance and third-party insurance to cover potential product liability exposure. The combination of our insurance coverage, cash flows and reserves may not be adequate to satisfy product liabilities we may incur in the future. Even meritless claims could subject us to adverse publicity, hinder us from securing insurance coverage in the future, require us to incur significant legal fees, decrease demand for any products that we successfully develop, divert management's attention, and force us to limit or forgo further development and commercialization of these products. The cost of any product liability litigation or other proceedings, even if resolved in our favor, could be substantial.

Any failure to comply with regulations or any changes in such regulations governing our businesses could adversely affect us.

Parts of our business operate in regulated industries and could be adversely affected by unfavorable changes in or the enactment of new laws, rules or regulations applicable to us, which could decrease demand for our products and services, increase costs or subject us to additional liabilities. Moreover, regulatory authorities have relatively broad discretion to grant, renew and revoke licenses and approvals and to implement or interpret regulations. Accordingly, such regulatory authorities could prevent or temporarily suspend us from carrying on some or all of our activities or otherwise penalize us if our practices were found not to comply with the applicable regulatory or licensing requirements or any interpretation of such requirements by the regulatory authority. Our failure to comply with any of these requirements or interpretations could have a material adverse effect on our operations. In particular, after a voluntary disclosure, we received a warning letter from the Bureau of Industry and Security regarding our failure to comply fully with the Export Administration Regulations as to software updates for a few travel agency customers located outside the United States. Although the Bureau of Industry and Security declined to prosecute or sanction us, if we were to violate the Export Administration Regulations again, the matter could be reopened or taken into consideration when investigating future matters and we may be subject to criminal prosecution or administrative sanctions.

Further, the United States has imposed economic sanctions that affect transactions with designated foreign countries, including Cuba, Iran, Sudan and Syria, and nationals and others of those countries, and certain specifically targeted individuals and entities engaged in conduct detrimental to U.S. national security interests. These sanctions are administered by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") and are typically known as the OFAC regulations. Failure to comply with these regulations could subject us to legal and reputational consequences, including civil and criminal penalties.

We have GDS contracts with carriers that fly to Cuba, Iran, Sudan and Syria but are based outside of those countries and are not owned by those governments or nationals of those governments. With respect to Iran, Sudan and Syria we believe that our activities comply with certain travel-related exemptions. With respect to Cuba, for customers outside the United States we display on the Sabre GDS flight information for, and support booking and ticketing of, services of non-Cuban airlines that offer service to Cuba. Based on advice of counsel, we believe these activities to fall under an exemption from OFAC regulations applicable to the transmission of information and informational materials and transactions related thereto.

We believe that our activities with respect to these countries are known to OFAC. We note, however, that OFAC regulations and related interpretive guidance are complex and subject to varying interpretations. Due to this complexity, OFAC's interpretation of its own regulations and guidance vary on a case to case basis. As a result, we cannot provide any guarantees that OFAC will not challenge any of our activities in the future, which could have a material adverse effect on our results of operations.

In Europe, GDS regulations or interpretations thereof may increase our cost of doing business or lower our revenues, limit our ability to sell marketing data, impact relationships with travel buyers, airlines, rail carriers or others, impair the enforceability of existing agreements with travel buyers and other users of our system, prohibit or limit us from offering services or products, or limit our ability to establish or change fees. Although regulations specifically governing GDSs have been lifted in the United States, they remain subject to general regulation regarding unfair trade practices by the U.S. Department of Transportation ("DOT"). In addition, continued regulation of GDSs in the EU and elsewhere could also create the operational challenge of supporting different products, services and business practices to conform to the different regulatory regimes. We do not currently maintain a

central database of all regulatory requirements affecting our worldwide operations and, as a result, the risk of non-compliance with the laws and regulations described above is heightened. Our failure to comply with these laws and regulations may subject us to fines, penalties and potential criminal violations. Any changes to these laws or regulations or any new laws or regulations may make it more difficult for us to operate our business.

Our collection, processing, storage, use and transmission of personal data could give rise to liabilities as a result of governmental regulation, conflicting legal requirements, differing views on data privacy or security breaches.

In our processing of travel transactions, we collect, process, store, use and transmit large amounts of sensitive personal data. This information is increasingly subject to legal restrictions around the world, which may result in conflicting legal requirements in the United States and other jurisdictions. For example, the U.S. Congress and federal agencies, including the Federal Trade Commission, have started to take a more aggressive stance in drafting and enforcing privacy and data protection laws. The EU is also in the process of reforming its existing data protection legal framework. These legal restrictions are generally intended to protect the privacy and security of personal information, including credit card information that is collected, processed and transmitted in or from the governing jurisdiction. Companies that handle this type of data have also been subject to investigations, lawsuits and adverse publicity due to allegedly improper disclosure or use of sensitive personal information. As privacy and data protection becomes an increasingly politicized issue, we may also become exposed to potential liabilities as a result of conflicting legal requirements, differing views on the privacy of travel data or failure to comply with applicable requirements. Our business could be materially adversely affected if we are unable or unwilling to comply with legal restrictions on the use of sensitive personal information or if such restrictions are expanded to require changes in our current business practices or are interpreted in ways that conflict with or negatively impact our present or future business practices. Additionally, we are required to indemnify some of our customers for liability arising from data breaches under the terms of our agreements with these customers. These indemnification obligations could be significant and we may not have adequate insurance coverage to protect us against all claims. See "—Security breaches could expose us to liability and damage our reputation and our business."

We may have higher than anticipated tax liabilities.

We are subject to a variety of taxes in many jurisdictions globally, including income taxes in the United States at the federal, state and local levels, and in many other countries. Significant judgment is required in determining our worldwide provision for income taxes. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is uncertain. We operate in numerous countries where our income tax returns are subject to audit and adjustment by local tax authorities. Because we operate globally, the nature of the uncertain tax positions is often very complex and subject to change, and the amounts at issue can be substantial. It is inherently difficult and subjective to estimate such amounts, as we have to determine the probability of various possible outcomes. We re-evaluate uncertain tax positions on a quarterly basis. This evaluation is based on factors including, but not limited to, changes in facts or circumstances, changes in tax law, effectively settled issues under audit and new audit activity. Although we believe our tax estimates are reasonable, the final determination of tax audits could be materially different from our historical income tax provisions and accruals. Our effective tax rate may change from year to year based on changes in the mix of activities and income allocated or earned among various jurisdictions, tax laws in these jurisdictions, tax treaties between countries, our eligibility for benefits under those tax treaties, and the estimated values of deferred tax assets and liabilities. Such changes could result in an increase in the effective tax rate applicable to all or a portion of our income which would reduce our profitability.

We establish reserves for our potential liability for U.S. and non-U.S. taxes, including sales, occupancy and value-added taxes ("VAT"), consistent with applicable accounting principles and in light of all current facts and circumstances. We have also established reserves relating to the collection of refunds related to value-added taxes, which are subject to audit and collection risks in various regions of Europe. Recently our right to recover certain value-added tax receivables associated with our European businesses has been questioned by tax authorities. These reserves represent our best estimate of our contingent liability for taxes. The interpretation of tax laws and the determination of any potential liability under those laws are complex, and the amount of our liability may exceed our established reserves.

We consider the undistributed earnings of our foreign subsidiaries as of December 31, 2015 to be indefinitely reinvested and, accordingly, no U.S. income taxes have been provided thereon. If such cash, cash equivalents and marketable securities are needed for our operations in the United States, we would be required to accrue and pay taxes to repatriate all such cash, cash equivalents and marketable securities. We have not, nor do we anticipate the need to, repatriate funds to the United States to satisfy domestic liquidity needs arising in the ordinary course of business, including liquidity needs associated with our domestic debt service requirements.

New tax laws, statutes, rules, regulations or ordinances could be enacted at any time and existing tax laws, statutes, rules, regulations and ordinances could be interpreted, changed, modified or applied adversely to us. These events could require us to pay additional tax amounts on a prospective or retroactive basis, as well as require us to pay fees, penalties or interest for past amounts deemed to be due. For example, there have been proposals to amend U.S. tax laws that would significantly impact how U.S. companies are taxed on foreign earnings. New, changed, modified or newly interpreted or applied laws could also increase our compliance, operating and other costs, as well as the costs of our products and services.

We may recognize impairments on long-lived assets, including goodwill and other intangible assets, or recognize impairments on our equity method investments.

Our consolidated balance sheet at December 31, 2015 contained goodwill and intangible assets, net totaling $3.3 billion. Future acquisitions that result in the recognition of additional goodwill and intangible assets would cause an increase in these types of assets. We do not amortize goodwill and intangible assets that are determined to have indefinite useful lives, but we amortize definite-lived intangible assets on a straight-line basis over their useful economic lives, which range from four to thirty years, depending on classification.

We evaluate goodwill for impairment on an annual basis or earlier if impairment indicators exist and we evaluate definite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of definite-lived intangible assets used in combination to generate cash flows largely independent of other assets may not be recoverable. We record an impairment charge whenever the estimated fair value of our reporting units or of such intangible assets is less than its carrying value.

The fair values used in our impairment evaluation are estimated using a combined approach based upon discounted future cash flow projections and observed market multiples for comparable businesses. Changes in estimates based on changes in risk-adjusted discount rates, future booking and transaction volume levels, future price levels, rates of growth in our consumer and corporate direct booking businesses, rates of increase in operating expenses, cost of revenue and taxes could result in material impairment charges.

Our pension plan obligations are currently unfunded, and we may have to make significant cash contributions to our plans, which could reduce the cash available for our business.

Our pension plans in the aggregate are estimated to be unfunded by $94 million as of December 31, 2015. With approximately 5,150 participants in our pension plans, we incur substantial costs relating to pension benefits, which can vary substantially as a result of changes in healthcare laws and costs, volatility in investment returns on pension plan assets and changes in discount rates used to calculate related liabilities. Our estimates of liabilities and expenses for pensions and other post-retirement healthcare benefits require the use of assumptions, including assumptions relating to the rate used to discount the future estimated liability, the rate of return on plan assets, inflation and several assumptions relating to the employee workforce (medical costs, retirement age and mortality). Actual results may differ, which may have a material adverse effect on our business, prospects, financial condition or results of operations. Future volatility and disruption in the stock markets could cause a decline in the asset values of our pension plans. In addition, a decrease in the discount rate used to determine minimum funding requirements could result in increased future contributions. If either occurs, we may need to make additional pension contributions above what is currently estimated, which could reduce the cash available for our businesses.

We are exposed to risks associated with PCI compliance.

The PCI Data Security Standard (“PCI DSS”) is a set of comprehensive requirements endorsed by credit card issuers for enhancing payment account data security that includes requirements for security management, policies, procedures, network architecture, software design and other critical protective measures. PCI DSS compliance is required in order to maintain credit card processing services. The cost of compliance with the PCI DSS is significant and may increase as the requirements change. We are tested periodically for compliance and completed our last annual assessment in June 2015. We were found to be compliant in that assessment. Compliance does not guarantee a completely secure environment. Moreover, compliance is an ongoing activity and the formal requirements continue to evolve as new threats and protective measures are identified. In the event that we were to lose PCI DSS compliance status (or fail to renew compliance under a future version of the PCI DSS), we could be exposed to increased operating costs, fines and penalties and, in extreme circumstances, may have our credit card processing privileges revoked, which would have a material adverse effect on our business.

We may require more cash than we generate in our operating activities, and additional funding on reasonable terms or at all may not be available.

We cannot guarantee that our business will generate sufficient cash flow from operations to fund our capital investment requirements or other liquidity needs. Moreover, because we are a holding company with no material direct operations, we depend on loans, dividends and other payments from our subsidiaries to generate the funds necessary to meet our financial obligations. Our subsidiaries are legally distinct from us and may be prohibited or restricted from paying dividends or otherwise making funds available to us under certain conditions.

As a result, we may be required to finance our cash needs through bank loans, additional debt financing, public or private equity offerings or otherwise. Our ability to arrange financing and the cost of such financing are dependent on numerous factors, including but not limited to:

- general economic and capital market conditions;
- the availability of credit from banks or other lenders;
- investor confidence in us; and
- our results of operations.

There can be no assurance that financing will be available on terms favorable to us or at all, which could force us to delay, reduce or abandon our growth strategy, increase our financing costs, or both. Additional funding from debt financings may make it more difficult for us to operate our business because a portion of our cash generated from internal operations would be used to make principal and interest payments on the indebtedness and we may be obligated to abide by restrictive covenants contained in the debt financing agreements, which may, among other things, limit our ability to make business decisions and further limit our ability to pay dividends.

In addition, any downgrade of our debt ratings by Standard & Poor's, Moody's Investor Service or similar ratings agencies, increases in general interest rate levels and credit spreads or overall weakening in the credit markets could increase our cost of capital. Furthermore, raising capital through public or private sales of equity to finance acquisitions or expansion could cause earnings or ownership dilution to your shareholding interests in our company.

We have a significant amount of indebtedness, which could adversely affect our cash flow and our ability to operate our business and to fulfill our obligations under our indebtedness.

We have a significant amount of indebtedness. As of December 31, 2015, we had $3.4 billion of indebtedness outstanding in addition to $381 million of availability under the revolving portion of our Amended and Restated Credit Agreement (as defined in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources), after taking into account the availability reduction of $25 million for letters of credit issued under the revolving portion. Our remaining outstanding senior unsecured notes of $165 million mature in March 2016. We have no other indebtedness due in the next twelve months. Our substantial level of indebtedness increases the possibility that we may not generate enough cash flow from operations to pay, when due, the principal of, interest on or other amounts due in respect of, these obligations. Other risks relating to our long-term indebtedness include:

- increased vulnerability to general adverse economic and industry conditions;
- higher interest expense if interest rates increase on our floating rate borrowings and our hedging strategies do not effectively mitigate the effects of these increases;
- need to divert a significant portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of cash to fund working capital, capital expenditures, acquisitions, investments and other general corporate purposes;
- limited ability to obtain additional financing, on terms we find acceptable, if needed, for working capital, capital expenditures, expansion plans and other investments, which may adversely affect our ability to implement our business strategy;
- limited flexibility in planning for, or reacting to, changes in our businesses and the markets in which we operate or to take advantage of market opportunities; and
- a competitive disadvantage compared to our competitors that have less debt.

In addition, it is possible that we may need to incur additional indebtedness in the future in the ordinary course of business. The terms of our Amended and Restated Credit Agreement and the indentures governing our senior unsecured notes due in 2016 and our senior secured notes due in 2023 allow us to incur additional debt subject to certain limitations. If new debt is added to

current debt levels, the risks described above could intensify. In addition, our inability to maintain certain leverage ratios could result in acceleration of a portion of our debt obligations and could cause us to be in default if we are unable to repay the accelerated obligations.

We are exposed to interest rate fluctuations.

Our floating rate indebtedness exposes us to fluctuations in prevailing interest rates. To reduce the impact of large fluctuations in interest rates, we typically hedge a portion of our interest rate risk by entering into derivative agreements with financial institutions. Our exposure to interest rates relates primarily to our borrowings under the Amended and Restated Credit Agreement.

The derivative agreements that we use to manage the risk associated with fluctuations in interest rates may not be able to eliminate the exposure to these changes. Interest rates are sensitive to numerous factors outside of our control, such as government and central bank monetary policy in the jurisdictions in which we operate. Depending on the size of the exposures and the relative movements of interest rates, if we choose not to hedge or fail to effectively hedge our exposure, we could experience a material adverse effect on our results of operations and financial condition.

We are exposed to exchange rate fluctuations.

We conduct various operations outside the United States, primarily in Asia Pacific, Europe and Latin America. During the year ended December 31, 2015, foreign currency operations included $178 million of revenue and $481 million of operating expenses, representing approximately 6% and 19% of our total revenue and operating expenses, respectively, including the impact of our Abacus acquisition on July 1, 2015. During the year ended December 31, 2014, foreign currency operations included $163 million of revenue and $419 million of operating expenses, representing approximately 6% and 20% of our total revenue and operating expenses, respectively. Our most significant foreign currency operating expenses are in the Euro, representing approximately 6% of our operating expenses for each of the years ended December 31, 2015 and 2014. As a result, we face exposure to movements in currency exchange rates.

These exposures include but are not limited to:

- re-measurement gains and losses from changes in the value of foreign denominated assets and liabilities;
- translation gains and losses on foreign subsidiary financial results that are translated into U.S. dollars, our functional currency, upon consolidation;
- planning risk related to changes in exchange rates between the time we prepare our annual and quarterly forecasts and when actual results occur; and
- the impact of relative exchange rate movements on cross-border travel, principally travel between Europe and the United States.

Depending on the size of the exposures and the relative movements of exchange rates, if we choose not to hedge or fail to hedge effectively our exposure, we could experience a material adverse effect on our results of operations and financial condition. As we have seen in some recent periods, in the event of severe volatility in exchange rates, these exposures can increase, and the impact on our results of operations and financial condition can be more pronounced. In addition, the current environment and the increasingly global nature of our business have made hedging these exposures more complex and costly.

To reduce the impact of this earnings volatility, we hedge our foreign currency exposure by entering into foreign currency forward contracts on several of our largest foreign currency exposures, including the Euro, the British Pound Sterling, the Polish Zloty, the Australian Dollar and the Indian Rupee. Although we have increased and may continue to increase the scope, complexity and duration of our foreign exchange risk management strategy, our current or future hedging activities may not sufficiently protect us from the adverse effects of currency exchange rate movements. Moreover, we make a number of estimates in conducting hedging activities, including in some cases the level of future bookings, cancellations, refunds, customer stay patterns and payments in foreign currencies. In the event those estimates differ significantly from actual results, we could experience greater volatility as a result of our hedging activities.

The terms of our debt covenants could limit our discretion in operating our business and any failure to comply with such covenants could result in the default of all of our debt.

The agreements governing our indebtedness contain and the agreements governing our future indebtedness will likely contain various covenants, including those that restrict our or our subsidiaries' ability to, among other things:

- incur liens on our property, assets and revenue;

- borrow money, and guarantee or provide other support for the indebtedness of third parties;
- pay dividends or make other distributions on, redeem or repurchase our capital stock;
- prepay, redeem or repurchase certain of our indebtedness;
- enter into certain change of control transactions;
- make investments in entities that we do not control, including joint ventures;
- enter into certain asset sale transactions, including divestiture of certain company assets and divestiture of capital stock of wholly-owned subsidiaries;
- enter into certain transactions with affiliates;
- enter into secured financing arrangements;
- enter into sale and leaseback transactions;
- change our fiscal year; and
- enter into substantially different lines of business.

These covenants may limit our ability to effectively operate our businesses or maximize stockholder value. In addition, our Amended and Restated Credit Agreement requires that we meet certain financial tests, including the maintenance of a leverage ratio and a minimum net worth. Our ability to satisfy these tests may be affected by factors and events beyond our control, and we may be unable to meet such tests in the future.

Any failure to comply with the restrictions of our Amended and Restated Credit Agreement, the indentures governing our senior unsecured notes due 2016 and senior secured notes due 2023 or any agreement governing our other indebtedness may result in an event of default under those agreements. Such default may allow the creditors to accelerate the related debt, which may trigger cross-acceleration or cross-default provisions in other debt. In addition, lenders may be able to terminate any commitments they had made to supply us with further funds.

We plan to update our enterprise resource planning system, and problems with the design or implementation of this system could interfere with our business and operations.

In 2016, we are implementing a project to consolidate our business technology infrastructure to a single global enterprise resource planning ("ERP") system. We expect to invest capital and human resources in the design and implementation of the ERP system, which may be disruptive to our underlying business. Any disruptions, delays or deficiencies in the design and implementation of the ERP system, particularly ones that impact our financial reporting and accounting systems, could adversely affect our business. Even if we do not encounter these adverse effects, the design and implementation of the ERP system may be more costly than we anticipate, which could negatively impact our financial position, results of operations and cash flows. In addition, the ERP system will be outsourced to a third-party provider, and any disruption to those outsourced systems may negatively impact our business. See "—We rely on the availability and performance of information technology services provided by third parties, including HPE, which manages a significant portion of our systems."

Maintaining and improving our financial controls and the requirements of being a public company may strain our resources, divert management's attention and affect our ability to attract and retain qualified board members.

As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act") and The NASDAQ Stock Market ("NASDAQ") rules. The requirements of these rules and regulations have increased and will continue to significantly increase our legal and financial compliance costs, including costs associated with the hiring of additional personnel, making some activities more difficult, time-consuming or costly, and may also place undue strain on our personnel, systems and resources. The Exchange Act requires, among other things, that we file annual, quarterly and current reports with respect to our business and financial condition.

The Sarbanes-Oxley Act requires, among other things, that we maintain disclosure controls and procedures and internal control over financial reporting. Ensuring that we have adequate internal financial and accounting controls and procedures in place, as well as maintaining these controls and procedures, is a costly and time-consuming effort that needs to be re-evaluated frequently. Section 404 of the Sarbanes-Oxley Act ("Section 404") requires that we annually evaluate our internal control over financial reporting to enable management to report on, and our independent auditors to audit as of the end of each fiscal year the effectiveness of those controls. In connection with the Section 404 requirements, both we and our independent registered public

accounting firm test our internal controls and could, as part of that documentation and testing, identify material weaknesses, significant deficiencies or other areas for further attention or improvement.

Implementing any appropriate changes to our internal controls may require specific compliance training for our directors, officers and employees, require the hiring of additional finance, accounting and other personnel, entail substantial costs to modify our existing accounting systems, and take a significant period of time to complete. These changes may not, however, be effective in maintaining the adequacy of our internal controls, and any failure to maintain that adequacy, or consequent inability to produce accurate financial statements on a timely basis, could increase our operating costs and could materially impair our ability to operate our business. Moreover, adequate internal controls are necessary for us to produce reliable financial reports and are important to help prevent fraud. As a result, our failure to satisfy the requirements of Section 404 on a timely basis could result in the loss of investor confidence in the reliability of our financial statements, which in turn could cause the market value of our common stock to decline.

Various rules and regulations applicable to public companies make it more difficult and more expensive for us to maintain directors' and officers' liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to maintain coverage. If we are unable to maintain adequate directors' and officers' liability insurance, our ability to recruit and retain qualified officers and directors, especially those directors who may be deemed independent for purposes of the NASDAQ rules, will be significantly curtailed.

Concentration of ownership among our Principal Stockholders may prevent new investors from influencing significant corporate decisions and may result in conflicts of interest.

As of January 31, 2016, the Principal Stockholders (as defined below) own, in the aggregate, approximately 33% of our outstanding common stock. Since the Principal Stockholders no longer hold more than 50% of the voting power of Sabre, we are no longer a "controlled company" within the meaning of the corporate governance requirements of the NASDAQ. Pursuant to the requirements of NASDAQ's listing rules, within one year after we cease to be a controlled company, our compensation committee and governance and nominating committee must be composed entirely of "independent directors" (as defined by NASDAQ listing rules) and a majority of our board of directors must consist of independent directors. These two committees are currently comprised entirely of independent directors and a majority of our board of directors currently consists of independent directors; however, if we were to utilize the exemptions made available under NASDAQ's rules for controlled companies, then during the phase-in period granted by NASDAQ's listing rules you may not have the same protections afforded to stockholders of companies that are subject to all of the NASDAQ rules regarding corporate governance. Even though we are no longer a "controlled company" under NASDAQ listing rules, the Principal Stockholders will continue to have significant influence over us.

We are a party to an amended and restated Stockholders' Agreement (as further amended and restated, the "Stockholders' Agreement") with the Silver Lake Funds, the TPG Funds and the Sovereign Co-Invest II (each as defined below). Pursuant to the Stockholders' Agreement the Silver Lake Funds and the TPG Funds currently have the right to designate for nomination two directors and three directors, respectively, which collectively will represent a majority of the members of our board of directors. In addition, the Silver Lake Funds and the TPG Funds also jointly have the right to designate one additional director, defined herein as the Joint Designee, who must qualify as independent under the NASDAQ rules and must meet the independence requirements of Rule 10A-3 of the Exchange Act so long as they collectively own at least 10% of their collective Closing Date Shares (as defined in the Stockholders' Agreement). As a result, the Principal Stockholders are able to exercise significant influence over all matters requiring stockholder approval, including: the election of directors; approval of mergers or a sale of all or substantially all of our assets and other significant corporate transactions; and the amendment of our Certificate of Incorporation and our Bylaws. This concentration of influence may delay, deter or prevent acts that would be favored by our other stockholders, who may have interests different from those of our Principal Stockholders. In addition, this significant concentration of share ownership may adversely affect the trading price of our common stock because investors often perceive disadvantages in owning common stock in companies with Principal Stockholders.

"TPG" refers to TPG Global, LLC and its affiliates, the "TPG Funds" refer to one or more of TPG Partners IV, L.P. ("TPG Partners IV"), TPG Partners V, L.P. ("TPG Partners V"), TPG FOF V-A, L.P. ("TPG FOF V-A") and TPG FOF V-B, L.P. ("TPG FOF V-B"), "Silver Lake" refers to Silver Lake Management Company, L.L.C. and its affiliates and "Silver Lake Funds" refer to either or both of Silver Lake Partners II, L.P. and Silver Lake Technology Investors II, L.P. "Sovereign Co-Invest II" refers to Sovereign Co-Invest II, LLC, an entity co-managed by TPG and Silver Lake. "Principal Stockholders" refer to the TPG Funds, the Silver Lake Funds and Sovereign Co-Invest II.

The market price of our common stock could decline due to the large number of outstanding shares of our common stock eligible for future sale.

Sales of substantial amounts of our common stock in the public market in future offerings, or the perception that these sales could occur, could cause the market price of our common stock to decline. These sales could also make it more difficult for us to sell equity or equity-related securities in the future, at a time and price that we deem appropriate. In addition, the additional sale of our common stock by our officers, directors and Principal Stockholders in the public market, or the perception that these sales may occur, could cause the market price of our common stock to decline.

We may issue shares of our common stock or other securities from time to time as consideration for, or to finance, future acquisitions and investments or for other capital needs. We cannot predict the size of future issuances of our shares or the effect, if any, that future sales and issuances of shares would have on the market price of our common stock. If any such acquisition or investment is significant, the number of shares of common stock or the number or aggregate principal amount, as the case may be, of other securities that we may issue may in turn be substantial and may result in additional dilution to our stockholders. We may also grant registration rights covering shares of our common stock or other securities that we may issue in connection with any such acquisitions and investments.

To the extent that any of us, our executive officers, directors or the Principal Stockholders sell, or indicate an intent to sell, substantial amounts of our common stock in the public market, the trading price of our common stock could decline significantly.

Our ability to pay regular dividends to our stockholders is subject to the discretion of our board of directors and may be limited by our holding company structure and applicable provisions of Delaware law.

We intend to continue to pay quarterly cash dividends on our common stock. However, our board of directors may, in its sole discretion, change the amount or frequency of dividends or discontinue the payment of dividends entirely. In addition, because we are a holding company with no material direct operations, we are dependent on loans, dividends and other payments from our operating subsidiaries to generate the funds necessary to pay dividends on our common stock. We expect to cause our subsidiaries to make distributions to us in an amount sufficient for us to pay dividends. However, their ability to make such distributions will be subject to their operating results, cash requirements and financial condition, the applicable provisions of Delaware law that may limit the amount of funds available for distribution and our ability to pay cash dividends, compliance with covenants and financial ratios related to existing or future indebtedness, including under our Amended and Restated Credit Agreement, our senior secured notes due in 2016 and our senior secured notes due in 2023, and other agreements with third parties. In addition, each of the companies in our corporate chain must manage its assets, liabilities and working capital in order to meet all of its cash obligations, including the payment of dividends or distributions. As a consequence of these various limitations and restrictions, we may not be able to make, or may have to reduce or eliminate, the payment of dividends on our common stock. Any change in the level of our dividends or the suspension of the payment thereof could adversely affect the market price of our common stock.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

As a company with global operations, we operate in many countries with a variety of sales, administrative, product development, and customer service roles provided in these offices.

Americas: Our corporate and business unit headquarters and domestic operations are located in a property which we own in Southlake, Texas, and in two leased offices located in Westlake, Texas. The Westlake leases expire in 2026 and include early termination options in 2022. There are 10 additional offices across North America and 13 offices across Latin America that serve in various sales, administration, software development and customer service capacities for all our business segments. All of these additional offices are leased.

Europe: Travel Network has its European regional headquarters in London, United Kingdom, with a lease that expires in 2027 and includes an early termination option in 2022. There are 22 additional offices across Europe that serve in various sales, administration, software development and customer service capacities. All of these additional offices are leased.

APAC: Travel Network and Airline and Hospitality Solutions have their APAC regional operations headquarters in three offices located in Singapore, with two leases that expire in 2017 and one lease that expires in 2019. There are 41 additional offices across APAC that serve in various sales, administration, software development and customer service capacities. Forty of 41 additional offices are leased, and one property in Kuala Lumpur, Malaysia is owned.

ITEM 3. LEGAL PROCEEDINGS

While certain legal proceedings and related indemnification obligations to which we are a party specify the amounts claimed, these claims may not represent reasonably possible losses. Given the inherent uncertainties of litigation, the ultimate outcome of these matters cannot be predicted at this time, nor can the amount of possible loss or range of loss, if any, be reasonably estimated, except in circumstances where an aggregate litigation accrual has been recorded for probable and reasonably estimable loss contingencies. A determination of the amount of accrual required, if any, for these contingencies is made after careful analysis of each matter. The required accrual may change in the future due to new information or developments in each matter or changes in approach such as a change in settlement strategy in dealing with these matters. See "Risk Factors—We are involved in various legal proceedings which may cause us to incur significant fees, costs and expenses and may result in unfavorable outcomes."

Antitrust Litigation and DOJ Investigation

US Airways Antitrust Litigation

In April 2011, US Airways filed suit against us in federal court in the Southern District of New York, alleging violations of the Sherman Act Section 1 (anticompetitive agreements) and Section 2 (monopolization). The complaint was filed two months after we entered into a new distribution agreement with US Airways. In September 2011, the court dismissed all claims relating to Section 2. The claims that were not dismissed are claims brought under Section 1 of the Sherman Act that relate to our contracts with US Airways, which US Airways says contain anticompetitive provisions, and an alleged conspiracy with the other GDSs, allegedly to maintain the industry structure and not to compete for content. We strongly deny all of the allegations made by US Airways.

Document, fact and expert witness discovery is complete. Summary judgment motions were filed in April 2014 and in January 2015, the court issued a ruling eliminating a majority of the alleged damages as well as rejecting a request for injunctive relief. The injunctive relief sought by US Airways requested that the court require us to modify language in our customer contracts. The claims that have been dismissed to date are subject to appeal.

Based on the summary judgment ruling, the potential remaining range of single damages has been significantly reduced. In respect of all of the remaining claims, US Airways claims damages (before trebling) of either $45 million or $73 million. We believe these claims are based on faulty assumptions and analysis and therefore are highly overstated. In the event US Airways were to prevail on the merits of its claim, we believe any monetary damages awarded (before trebling) would be significantly less than either of US Airways' proposed damage amounts. With respect to the remaining claims in this case, we believe that our business practices and contract terms are lawful, and we will continue to vigorously defend against the remaining claims.

In June 2015, US Airways filed a Second Amended Complaint that limited its request for relief for the remaining claims to an amount not to exceed twenty dollars (post-trebling), plus reasonable costs, attorneys' fees and pre- and post-judgment interest, as well as declaratory relief with respect to those claims, including claims that we acted anticompetitively and maintained alleged market power.

In July 2015, we made an offer of judgment to US Airways, in which we offered to pay US Airways twenty dollars plus reasonable costs and attorneys' fees incurred to date in an amount to be determined by the court. The offer of judgment provided for the entry of a judgment against us on all remaining claims without an admission of liability. US Airways rejected our offer of judgment. We filed a motion for entry of judgment requesting that the court enter judgment pursuant to the terms of our offer because it provides US Airways with complete relief on all remaining, available claims. US Airways responded that entry of judgment was not appropriate because our offer did not address US Airways' claim for declaratory relief, which we contended was moot in light of, among other things, the fact that US Airways' remaining claims relate to only an expired contract and a past alleged conspiracy. In September 2015, the court agreed with our position regarding declaratory relief, and dismissed US Airways' request for declaratory judgment. The ruling left in place US Airways' request for relief for twenty dollars (post-trebling), plus reasonable costs and attorneys' fees, and any applicable pre- and post-judgment interest. We renewed our offer of judgment on the same terms as the earlier offer.

US Airways made a motion to amend its complaint to reinstate its claim for damages (before trebling) of either $45 million or $73 million. In December 2015, the court issued a ruling permitting US Airways to file a Third Amended Complaint reinstating its claim for damages (before trebling) of either $45 million or $73 million. However, the court's December 2015 ruling also required US Airways to reimburse us for our costs and fees associated with certain legal proceedings during 2015 before it may file a Third Amended Complaint. In February 2016, the court ruled that US Airways may file a third amended complaint by March 10, 2016 provided it reimburses us $6 million for these costs and fees. To date, US Airways has not paid us this amount or filed its Third Amended Complaint.

Currently there is no trial date set for the remaining claims.

We believe that the claims associated with this case are not probable and therefore have not accrued any losses as of December 31, 2015. We have and will incur significant fees, costs and expenses for as long as the litigation is ongoing. In addition, litigation by its nature is highly uncertain and fraught with risk, and it is therefore difficult to predict the outcome of any particular matter, including changes to our business that may be required as a result of the litigation. If favorable resolution of the matter is not reached, any monetary damages are subject to trebling under the antitrust laws and US Airways would be eligible to be reimbursed by us for its reasonable costs and attorneys' fees. Depending on the amount of any such judgment, if we do not have sufficient cash on hand, we may be required to seek private or public financing. We have not made any provisions or recorded any liability for the potential resolution of this matter. Depending on the outcome of the litigation, any of these consequences could have a material adverse effect on our business, financial condition and results of operations.

Department of Justice Investigation

On May 19, 2011, we received a civil investigative demand ("CID") from the U.S. Department of Justice ("DOJ") investigating alleged anticompetitive acts related to the airline distribution component of our business. We are fully cooperating with the DOJ investigation and are unable to make any prediction regarding its outcome. The DOJ is also investigating other companies that own GDSs, and has sent CIDs to other companies in the travel industry. Based on its findings in the investigation, the DOJ may (i) close the file, (ii) seek a consent decree to remedy issues it believes violate the antitrust laws, or (iii) file suit against us for violating the antitrust laws, seeking injunctive relief. If injunctive relief were granted, depending on its scope, it could affect the manner in which our airline distribution business is operated and potentially force changes to the existing airline distribution business model. Any of these consequences would have a material adverse effect on our business, financial condition and results of operations. We have not received any communications from the DOJ regarding this matter in over two years; however, we have not been notified that this matter is closed.

Putative Class Action Lawsuit

In July 2015, a putative class action lawsuit was filed against us and two other GDSs, in the Federal District Court of New York, Southern Division. In January 2016, we filed a motion to dismiss all of the plaintiffs' claims, which is pending before the court. The plaintiffs, who are asserting claims on behalf of a putative class of consumers in various states, are generally alleging that the GDSs conspired to, for example, negotiate for full content from the airlines, resulting in higher ticket prices for consumers, in violation of various federal and state laws. Although the amount of damages allegedly incurred by the plaintiffs has not been asserted to date, the plaintiffs are also seeking declaratory and injunctive relief. We may incur significant fees, costs and expenses for as long as this litigation is ongoing. We intend to vigorously defend against these claims.

Insurance Carriers

We have disputes against some of our insurance carriers for failing to reimburse defense costs incurred in the American Airlines antitrust litigation, which we settled in October 2012. Both carriers admitted there is coverage, but reserved their rights not to pay should we be found liable for certain of American Airlines' allegations. Despite their admission of coverage, the insurers have only reimbursed us for a small portion of our significant defense costs. We filed suit against the entities in New York state court alleging breach of contract and a statutory cause of action for failure to promptly pay claims. If we prevail, we may recover some or all amounts already tendered to the insurance companies for payment within the limits of the policies and may be entitled to 18% interest on such amounts, all of which will be recorded in the period cash is received. To date, settlement discussions have been unsuccessful. Discovery has been closed, and we expect that summary judgment briefing will be completed in the first half of 2016.

Indian Income Tax Litigation

We are currently a defendant in income tax litigation brought by the Indian Director of Income Tax (“DIT”) in the Supreme Court of India. The dispute arose in 1999 when the DIT asserted that we have a permanent establishment within the meaning of the Income Tax Treaty between the United States and the Republic of India and accordingly issued tax assessments for assessment years ending March 1998 and March 1999, and later issued further tax assessments for assessment years ending March 2000 through March 2006. We appealed the tax assessments and the Indian Commissioner of Income Tax Appeals returned a mixed verdict. We filed further appeals with the Income Tax Appellate Tribunal (“ITAT”). The ITAT ruled in our favor on June 19, 2009 and July 10, 2009, stating that no income would be chargeable to tax for assessment years ending March 1998 and March 1999, and from March 2000 through March 2006. The DIT appealed those decisions to the Delhi High Court, which found in our favor on July 19, 2010. The DIT has appealed the decision to the Supreme Court of India and no trial date has been set.

In addition, Sabre Asia Pacific Pte Ltd (“SAPPL”), formerly AIPL, is currently a defendant in similar income tax litigation brought by the DIT. The dispute arose when the DIT asserted that SAPPL has a permanent establishment within the meaning of the Income Tax Treaty between Singapore and India and accordingly issued tax assessments for assessment years ending March 2000 through March 2005. SAPPL appealed the tax assessments, and the Indian Commissioner of Income Tax (Appeals) returned a mixed verdict. SAPPL filed further appeals with the ITAT. The ITAT ruled in SAPPL’s favor, finding that no income would be chargeable to tax for assessment years ending March 2000 through March 2005. The DIT appealed those decisions to the Delhi High Court. No hearing date has been set. The DIT also assessed taxes on a similar basis for assessment years ending March 2006 through March 2011, which are pending before the ITAT.

If the DIT were to fully prevail on every claim against us, including SAPPL, we could be subject to taxes, interest and penalties of approximately $41 million as of December 31, 2015, which could have an adverse effect on our business, financial condition and results of operations. We and SAPPL intend to continue to aggressively defend against each of the foregoing claims. Although we do not believe that the outcome of the proceedings will result in a material impact on our business or financial condition, litigation is by its nature uncertain. We do not believe this outcome is probable and therefore have not made any provisions or recorded any liability for the potential resolution of any of these claims.

Indian Service Tax Litigation

SAPPL is also subject to litigation by the India Director General (Service Tax) ("DGST"), which has assessed the subsidiary for multiple years related to its alleged failure to pay service tax on marketing fees and reimbursements of expenses. Indian courts have returned verdicts favorable to the Indian subsidiary. The DGST has appealed the verdict to the Indian Supreme Court. No provision has been recorded for this matter as we believe we will ultimately prevail.

Litigation and Administrative Audit Proceedings Relating to Hotel Occupancy Taxes

On January 23, 2015, we sold Travelocity.com to Expedia. Pursuant to the Asset Purchase Agreement with Expedia (the “Travelocity Purchase Agreement”), we will continue to be liable for pre-closing liabilities of Travelocity, including fees, charges, costs and settlements relating to litigation arising from hotels booked on the Travelocity platform prior to our previous long-term strategic marketing agreement with Expedia (the “Expedia SMA”). Fees, charges, costs and settlements relating to litigation from hotels booked on Travelocity.com subsequent to the Expedia SMA and prior to the date of the sale of Travelocity.com will be shared with Expedia in accordance with the terms that were in the Expedia SMA. We are jointly and severally liable for Travelocity’s indemnification obligations under the Travelocity Purchase Agreement for liabilities that may arise out of these litigation matters, which could adversely affect our cash flow.

In recent years, various state and local governments in the United States have filed approximately 70 lawsuits against us and other OTAs pertaining primarily to whether our discontinued Travelocity segment and other OTAs owe sales or occupancy taxes on the revenues they earned from facilitating hotel reservations, where the customer paid us an amount at the time of booking that included (i) service fees, which we collected and retained, and (ii) the price of the hotel room and amounts for occupancy or other local taxes, which we passed along to the hotel supplier. The complaints generally allege, among other things, that the defendants failed to pay to the relevant taxing authority hotel occupancy taxes on the service fees. Courts have dismissed approximately 30 of these lawsuits, some for failure to exhaust administrative remedies and some on the basis that we are not subject to sales or occupancy tax. The Fourth, Sixth and Eleventh Circuits of the United States Courts of Appeals each have ruled in our favor on the merits, as have state appellate courts in Missouri, Alabama, Texas, California, Kentucky, Florida, Colorado and Pennsylvania, and a number of state and federal trial courts. The remaining lawsuits are in various stages of litigation. We have also settled some cases individually, most for amounts not material to our results of operations, and with respect to these settlements, have generally reserved our rights to challenge any effort by the applicable tax authority to impose occupancy taxes in the future.

We have received recent favorable decisions pertaining to cases in Florida, North Dakota, North Carolina, California, Montana, Arizona and Colorado. In Florida, Travelocity has been named as a defendant in several proceedings and lawsuits brought by cities and counties in Florida, including the Counties of Leon, Broward, Osceola, and Volusia; and the City of Miami. The suits brought by Leon County and Broward County have been decided on the merits, and both were decided in favor of Travelocity and other OTAs. On February 28, 2013 and February 12, 2014, respectively, those decisions were affirmed by the intermediate court of appeals. On June 11, 2015, the Supreme Court of Florida affirmed the Leon County judgment in favor of Travelocity and other OTAs, ruling they are not subject to state or local taxes that apply to the renting, leasing, or letting of hotel rooms. Separately, on December 9, 2015, the Supreme Court of Florida denied review of Broward County's appeal, citing its earlier decision in the Leon County case. On July 9, 2015, a district court in North Dakota ruled that Travelocity and other OTAs are not engaged in the business of leasing or renting hotel accommodations and thus are not subject to the City of Fargo's hotel tax. On August 19, 2014, the North Carolina Court of Appeals affirmed a judgment in favor of Travelocity and other OTAs after concluding they are not operators of hotels, motel or similar-type businesses and therefore are not subject to hotel occupancy tax. On May 28, 2014, an administrative hearing officer in Arizona ruled that Travelocity is not responsible for collecting or remitting local hotel taxes and set aside assessments made by twelve municipalities, including Phoenix, Scottsdale, Tempe, and Tucson. Those municipalities have appealed the decision to state court. On March 27, 2014, a California court of appeals upheld a trial court ruling that OTAs, including Travelocity, are not subject to the City of San Diego's transient occupancy tax because they are not hotel operators or managing agents. That case is now pending before the Supreme Court of California. The California court of appeals' decision marked the third time that a California appellate court has ruled in favor of Travelocity on the question of whether OTAs are subject to transient occupancy taxes in California, the prior two cases being brought by the City of Anaheim and City of Santa Monica. Travelocity also has prevailed at the trial court level in cases brought by San Francisco and Los Angeles, both of which are being appealed by the cities. On March 6, 2014, a Montana trial court ruled by summary judgment that Travelocity and other OTAs are not subject to the State of Montana's lodging facility use tax or its sales tax on accommodations and vehicles. On August 12, 2015, the Supreme Court of Montana affirmed the trial court's decision that Travelocity is not subject to the lodging facility use tax, but concluded that Travelocity's service fees are subject to sales tax on accommodations and vehicles. On July 3, 2014, the Colorado Court of Appeals entered judgment that Travelocity and OTAs are not liable for lodging taxes as claimed by the City of Denver. The City of Denver has appealed the decision to the Supreme Court of Colorado.

Although we have prevailed in the majority of these lawsuits and proceedings, there have been several adverse judgments or decisions on the merits, some of which are subject to appeal. On April 3, 2014, the Supreme Court of Wyoming affirmed a decision by the Wyoming State Board of Equalization that Travelocity and other OTAs are subject to sales tax on lodging. Similarly, on July 23, 2015, a court of appeals for the District of Columbia ruled in favor of the District of Columbia on its claim that Travelocity and other OTAs are subject to the District of Columbia hotel occupancy tax. As a result, we paid $6 million to the District in the third quarter of 2015, most of which was previously accrued. We did not record material charges associated with these cases during the years ended December 31, 2015, 2014 and 2013.

On April 4, 2013, the United States District Court for the Western District of Texas ("W.D.T.") entered a final judgment against Travelocity and other OTAs in a class action lawsuit filed by the City of San Antonio. The final judgment was based on a jury verdict from October 30, 2009 that the OTAs "control" hotels for purposes of city hotel occupancy taxes. Following that jury verdict, on July 1, 2011, the W.D.T. concluded that fees charged by the OTAs are subject to hotel occupancy taxes and that the OTAs have a duty to collect and remit these taxes. We disagree with the jury's finding and with the W.D.T.'s conclusions based on the jury finding, and intend to appeal the final judgment to the United States Court of Appeals for the Fifth Circuit. The verdict against us, including penalties and interest, is $4 million, which we do not believe we will ultimately pay and therefore have not accrued any loss related to this case.

We believe the Fifth Circuit's resolution of the San Antonio appeal may be affected by a separate Texas state appellate court decision in our favor. On October 26, 2011, the Fourteenth Court of Appeals of Texas affirmed a trial court's summary judgment ruling in favor of the OTAs in a case brought by the City of Houston and the Harris County-Houston Sports Authority on a similarly worded tax ordinance as the one at issue in the San Antonio case. The Texas Supreme Court denied the City of Houston's petition to review the case. We believe this decision should provide persuasive authority to the Fifth Circuit in its review of the San Antonio case.

On March 17, 2015, the Supreme Court of Hawaii issued a decision affirming in part and reversing in part a final judgment entered by the Hawaii Tax Appeal Court. In that case, the Tax Appeal Court had ruled that Travelocity and other OTAs are not subject to Hawaii's transient accommodation tax, but also had ruled in favor of the State of Hawaii on the issue of whether the state's general excise tax, which is assessed on all business activity in the state, applies to hotel bookings, in which we were the merchant of record for credit card processing for travel accommodations, for the period 2002 to 2011.

The State of Hawaii appealed the Tax Appeal Court's decision that Travelocity is not subject to transient accommodation tax, and Travelocity appealed the decision that we are subject to general excise tax. On March 17, 2015, the Supreme Court of Hawaii issued its decision affirming that Travelocity is not subject to transient accommodation tax, affirming that Travelocity is subject to general excise tax, and reversing the Tax Appeal Court's decision that Travelocity is liable for general excise tax on the gross receipts collected from customers. Instead, the Hawaii Supreme Court held Travelocity is liable for general excise tax only on its own service fees. On March 27, 2015, the State of Hawaii filed a motion for reconsideration, which was denied.

The original proceeding in the Hawaii Supreme Court involved all merchant model hotel bookings for the period 2002 to 2011. While that appeal was pending, the State also issued additional assessments of general excise tax, interest, and penalties for merchant model hotel bookings for 2012; merchant model car reservations for the period 2004-2012; and combined merchant model hotel and car reservations for 2013. Further, notwithstanding the Tax Appeal Court's ruling that Travelocity is not subject to transient accommodation tax, the State issued additional transient accommodation tax assessments for 2012 and 2013. Travelocity has appealed all of the additional assessments to the Tax Appeal Court, which initially stayed the assessments pending the Hawaii Supreme Court's final decision on the original assessments. Those stays have now been lifted. On January 25, 2016, the State issued additional assessments for general excise tax alleged to be owed on agency model hotel and car rental bookings for the years 2000-2014, and for merchant model hotel and car rental bookings for 2014. Travelocity intends to appeal the assessments to the Tax Appeal Court. We do not believe we will ultimately pay these additional assessments of general excise tax, including interest and penalties.

In September 2015, we received a final ruling on the amounts owed by Travelocity in the original Hawaii tax case, and as a result, received a cash refund of $30 million from the State of Hawaii. In 2013, we paid the State of Hawaii $35 million to appeal. In addition, we reduced our accrued liability by $10 million as a result of the final ruling. The total gain of $40 million is included in income (loss) from discontinued operations in our consolidated statements of operations and the $30 million cash refund is included in cash flows from discontinued operations in our consolidated statements of cash flows. During the years ended December 31, 2014 and 2013, we recorded charges of $2 million and $17 million, respectively, associated with this litigation, which are included in income (loss) from discontinued operations. As of December 31, 2015, our reserve was not material for the estimated remaining payments to the State of Hawaii and we did not make any material payments in the year ended December 31, 2015.

As of December 31, 2015, our reserve was not material for the potential resolution of issues identified related to litigation involving hotel and car sales, occupancy or excise taxes. Our estimated liability is based on our current best estimate but the ultimate resolution of these issues may be greater or less than the amount recorded and, if greater, could adversely affect our results of operations.

During the year ended December 31, 2015, we received insurance proceeds of $6 million from an insurance carrier for reimbursement of litigation costs on all cases associated with hotel occupancy taxes. The proceeds were recognized as a gain and is included in income (loss) from discontinued operations.

In addition to the actions by the tax authorities, two consumer class action lawsuits have been filed against us in which the plaintiffs allege that we made misrepresentations concerning the description of the fees received in relation to facilitating hotel reservations. Generally, the consumer claims relate to whether Travelocity provided adequate notice to consumers regarding the nature of our fees and the amount of taxes charged or collected. One of these lawsuits is pending in Texas state court, where the court is currently considering the plaintiffs' motion to certify a class action; and the other is pending in federal court, but has been stayed pending the outcome of the Texas state court action. We believe the notice we provided was appropriate and therefore have not accrued any losses related to these cases.

In addition to the lawsuits, a number of state and local governments have initiated inquiries, audits and other administrative proceedings that could result in an assessment of sales or occupancy taxes on fees. If we do not prevail at the administrative level, those cases could lead to formal litigation proceedings.

Litigation Relating to Routine Proceedings

We are also engaged from time to time in other routine legal and tax proceedings incidental to our business. We do not believe that any of these routine proceedings will have a material impact on the business or our financial condition.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

EXECUTIVE OFFICERS OF THE REGISTRANT

The names and ages of our executive officers as of February 19, 2016, together with certain biographical information, are as follows:

Name	Age	Position
Thomas Klein	53	Chief Executive Officer, President and Director, Sabre
Richard A. Simonson	57	Executive Vice President and Chief Financial Officer, Sabre
Alexander S. Alt	41	President and General Manager, Sabre Hospitality Solutions
Rachel A. Gonzalez	46	Executive Vice President and General Counsel, Sabre
Hugh W. Jones	52	Executive Vice President, Sabre and President, Sabre Airline Solutions
Deborah Kerr	44	Executive Vice President and Chief Product and Technology Officer, Sabre
Sean Menke	47	Executive Vice President, Sabre and President, Sabre Travel Network
William G. Robinson	51	Executive Vice President and Chief Human Resources Officer, Sabre
Gregory T. Webb	49	Vice Chairman, Sabre

Thomas Klein is president and CEO and has more than 18 years of experience managing large scale, international technology businesses. Before being named CEO in August 2013, Mr. Klein served as company president since January 2010. His role prior to that was executive vice president, Sabre, and group president of Sabre Travel Network and Sabre Airline Solutions businesses. Earlier roles included various senior leadership positions within Sabre, both in the United States and in Latin America, and he served as the first director general of Sabre Sociedad Tecnológica, a Mexico based joint venture company owned by Sabre, Aeromexico and Mexicana. Prior to joining Sabre in 1994, he held a variety of sales, marketing and operations positions at American Airlines and Consolidated Freightways, Inc. Mr. Klein serves on the Board of Directors and chairs the compensation committee for Cedar Fair, L.P. In 2010, he was appointed to the Board of Directors for Brand USA by the U.S. Secretary of Commerce and now serves as vice chairman. He also serves on the executive committee of the World Travel and Tourism Council and Villanova University Board of Trustees. Mr. Klein holds a bachelor's degree in business administration from Villanova University.

Richard A. Simonson is executive vice president and chief financial officer. He leads our global finance organization and is responsible for the following functions - accounting, tax, financial planning and analysis, investor relations, treasury, procurement, corporate development and mergers and acquisitions. He brings a combination of experiences across global finance, business operations and capital markets focused on the technology, telecom and media sectors. Before joining Sabre in March 2013, Mr. Simonson acted as an independent advisor to private equity and venture capital firms from May 2012 to March 2013 and from July 2010 to May 2011. He served as CFO and president for business operations at Rearden Commerce, a venture-backed e-commerce company from March 2011 to May 2012. From September 2001 to July 2010 he was an executive at Nokia Corporation in several global roles based in locations around the world - Helsinki, Zurich and New York-including more than five years as chief financial officer and executive vice president, followed by executive vice president and general manager of Nokia's mobile phones unit and head of strategic sourcing. He was a member of Nokia's Group Executive Board from 2004-2010. Mr. Simonson's career includes time with Barclays Capital as managing director in the telecom and media investment banking group. He also spent 16 years with Bank of America Securities in the Global Corporate and Investment Banking group based out of San Francisco and Chicago, where he held various finance and investment banking positions, culminating as managing director of Global Project Finance. Mr. Simonson currently serves on the board of directors of Electronic Arts where he currently chairs the audit committee and additionally served as lead director from 2009-2015. He additionally serves on the Board of directors and chairs the audit committee of Silver Spring Networks. He graduated from the Colorado School of Mines with a B.S. in mining engineering and holds an M.B.A. from Wharton School of Business at the University of Pennsylvania. Mr. Simonson is a trustee of the board of The Lyle School of Engineering at Southern Methodist University.

Alexander S. Alt is president and general manager of Sabre Hospitality Solutions, and oversees one of Sabre's two SaaS businesses. Prior to being named president, Mr. Alt served in an expanded chief operating officer role at Sabre Hospitality Solutions, where he oversaw customer care, data services, implementations, call center and similar services. As part of the Sabre Hospitality Solutions management team, he also helped drive overall business strategy. Before joining Sabre in 2012, Mr. Alt served as senior vice president of global development and strategy at Rosewood Hotels & Resorts, where he played a key role in the global growth and expansion of the business. Prior to joining Rosewood Hotels in 2006, he was a senior engagement manager at McKinsey & Company. Earlier in his career, he worked in the finance department of Sabre as a manager and senior analyst in the financial planning and analysis group. Mr. Alt is a member of the Dallas Development Board of The Nature Conservancy and is on the Advisory Board of the School of Undergraduate Studies at the University of Texas in Austin. He graduated from the University of Texas in Austin and received his M.B.A. from Harvard University.

Rachel A. Gonzalez is executive vice president and general counsel of Sabre, a position she assumed in September 2014. She manages the global legal department responsible for legal strategy, regulatory affairs, corporate compliance and government affairs. Prior to joining Sabre, Ms. Gonzalez served as executive vice president, general counsel and corporate secretary with Dean Foods in Dallas, Texas from March 2013 to September 2014, and as executive vice president, general counsel designate from November 2012 to March 2013. Ms. Gonzalez joined Dean Foods in 2008 as chief counsel, corporate and securities and served as the deputy general counsel prior to her promotion in November 2012. Previously, Ms. Gonzalez was senior vice president and group counsel with Affiliated Computer Services. Ms. Gonzalez was a partner with the law firm of Morgan, Lewis & Bockius, where she focused on corporate finance, mergers and acquisitions, SEC compliance and corporate governance. Ms. Gonzalez serves on the Board of Directors of Girl Scouts of Northeast Texas and their Audit and Board Development Committees. Ms. Gonzalez earned her J.D. degree from Boalt Hall School of Law the University of California, Berkeley and her bachelor's degree in comparative literature from the University of California, Berkeley.

Hugh W. Jones is executive vice president and president of Sabre Airline Solutions and is a 27 year veteran of the travel industry. Immediately prior to being named to his current role in April 2011, Mr. Jones served as Travelocity's president and CEO beginning in February 2009 and before that, he held a number of executive roles at Sabre including senior vice president and chief operating officer for our Travel Network and Airline and Hospitality Solutions businesses, where he oversaw airline supplier initiatives and global customer support. He also led Travel Network in North America and served as senior vice president and controller for Sabre. Mr. Jones began his career with American Airlines in 1988 and held a variety of finance positions including financial controller for the airline's European and Pacific airport, sales and reservations operations. He earned a master's degree in business administration from Southern Methodist University and a bachelor's degree in geology and geophysics from the University of Wisconsin.

Deborah Kerr is executive vice president and chief product and technology officer at Sabre, and is responsible for leading the global product and technology organization. Prior to her appointment at Sabre in March 2013, she served as executive vice president, chief product and technology officer at FICO from 2009 to April 2012, a leader in predictive analytics and decision management technology. Prior experience includes senior leadership roles with HP, Peregrine Systems and NASA's Jet Propulsion Laboratory. Ms. Kerr is a director of the DH Corporation and EXLService Holdings, Inc. She was previously a director of Mitchell International from January 2010 until October 2013. Ms. Kerr holds a master's degree in Computer Science and a bachelor's degree in Psychology.

Sean Menke is executive vice president and president of Travel Network. Before joining Sabre in October 2015, Mr. Menke served as executive vice president and chief operating officer of Hawaiian Airlines from October 2014 to October 2015. From 2013 to 2014, he was executive vice president of resources at IHS Inc., a global information technology company. He served as managing partner of Vista Strategic Group, LLC, a consulting firm, from 2012 to 2013 and from 2010 to 2011. From 2011 to 2012, he served as president and chief executive officer of Pinnacle Airlines, and from 2007 to 2010 as president and chief executive officer of Frontier Airlines. Frontier Airlines and Pinnacle Airlines filed for bankruptcy protection under Chapter 11 of the United States Bankruptcy Code in 2008 and 2012, respectively. Mr. Menke earned an executive MBA from the University of Denver and dual bachelor of science degrees in Economics and Aviation Management from Ohio State University.

William G. Robinson is executive vice president and chief human resources officer. He is responsible for leading Sabre's global human resources organization, including talent management, organizational leadership and culture. Prior to joining Sabre in December 2013, Mr. Robinson served as the senior vice president and chief human resources officer at Coventry Health Care, a diversified managed health care company with 14,000 employees, from 2012 to 2013. From 2010 to 2011, Mr. Robinson served as senior vice president for human resources at Outcomes Health Information Solutions, a healthcare analytics and information company specializing in the optimization and acquisition of medical records. Prior to that, from 1990 to 2010, he worked for General Electric, where he held several human resources leadership roles in diverse industries including information technology, healthcare, energy and industrial. Most recently, he was the human resources leader within the GE Enterprise Solutions division where he led a global team in an organization of 20,000 employees in 200 locations worldwide. He holds a M.A. in Human Resources Development from Bowie State University and a B.S. in Communications from Wake Forest University.

Gregory T. Webb is vice chairman of Sabre. Prior to being named to his current role, he served as president of Sabre Travel Network where he was responsible for leading the global travel marketplace and solutions. Since joining Sabre in 1995, Mr. Webb has held several senior leadership positions including chief marketing officer for both our Travel Network and Airline and Hospitality Solutions businesses and senior vice president of global product marketing for Sabre. Early in his career, he served as director of project consulting and risk assessment for American Airlines and Sabre. Prior to joining the company, Mr. Webb was vice president and chief information officer for BellSouth Telecommunications and also served as a senior consultant at Andersen Consulting. Mr. Webb earned a master's degree in business administration with an emphasis in marketing from Louisiana Tech University and a bachelor's degree in advertising from Southern Methodist University.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is listed on the NASDAQ Global Select Market under the symbol "SABR." On April 17, 2014, we completed our initial public offering; prior to that date, there was no public trading market for our common stock. The following table sets forth, for the quarterly period indicated, the high and low market prices per share for our common stock, as reported on the NASDAQ Global Select Market:

	High	Low	Dividends Declared
Year Ended December 31, 2015:			
Fourth Quarter	$ 30.23	$ 27.63	$ 0.09
Third Quarter	$ 29.34	$ 23.93	$ 0.09
Second Quarter	$ 26.53	$ 23.57	$ 0.09
First Quarter	$ 24.48	$ 19.40	$ 0.09
Year Ended December 31, 2014:			
Fourth Quarter	$ 20.57	$ 14.86	$ 0.09
Third Quarter	$ 20.26	$ 17.65	$ 0.09
Second Quarter (from April 17, 2014)	$ 20.91	$ 15.00	$ —

As of February 10, 2016, there were 228 stockholders of record of our common stock.

We expect to continue to pay quarterly cash dividends on our common stock, subject to declaration of our board of directors. The amount of future cash dividends, if any, will depend upon, among other things, our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions, number of shares of common stock outstanding and other factors the board of directors may deem relevant. The timing and amount of future dividend payments will be at the discretion of our board of directors. Our board of directors has declared a cash dividend of $0.13 per share of common stock which will be paid on March 30, 2016 to stockholders of record as of March 21, 2016. See Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Dividends."

The following table contains information for common shares repurchased during the fourth quarter of 2015:

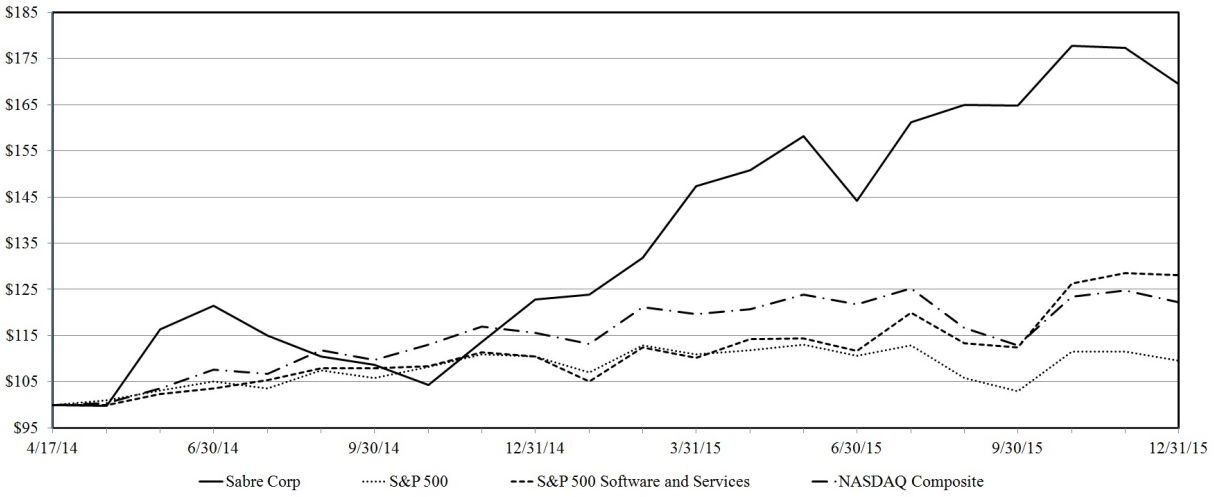
Period (2015)	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
October 1 to October 31	—	—	—	—
November 1 to November 30	3,400,000 (1)	$ 29.05	3,400,000 (2)	—
December 1 to December 31	—	—	—	—
Total	3,400,000	$ 29.05	3,400,000	—

(1) Represents shares repurchased from Morgan Stanley & Co. LLC ("Morgan Stanley") that were sold to Morgan Stanley by stockholders affiliated with TPG and Silver Lake in connection with a secondary offering.

(2) Share repurchases were made pursuant to a share repurchase program authorized by our Board of Directors on October 31, 2015. This program was announced on November 4, 2015 and allowed for the purchase of up to $100 million of outstanding shares of our common stock in privately negotiated transactions or in the open market, or otherwise. Further share repurchases would require authorization by our Board of Directors.

Stock Performance Graph

The following graph shows a comparison from April 17, 2014, the date our common stock commenced trading on the NASDAQ Global Select Market, through December 31, 2015 of the cumulative total return for our common stock, the S&P 500 Index, S&P Software and Services Select Index and the NASDAQ Composite. The comparison assumes $100 was invested on April 17, 2014 in our common stock and in each of the indices and assumes reinvestment of dividends.



The stock price performance depicted in the above graph is not necessarily indicative of future price performance. The stock performance graph shall not be deemed “soliciting material” or to be “filed” with the SEC, nor shall such information be incorporated by reference into any future filing by us under the Securities Act or the Exchange Act, except to the extent that we specifically incorporate the graph by reference in such filing.

ITEM 6. SELECTED FINANCIAL DATA

The following selected financial data should be read in conjunction with Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and our consolidated financial statements and notes thereto contained in Item 8, "Financial Statements and Supplementary Data," of this Annual Report on Form 10-K.

The consolidated statements of operations data and consolidated statements of cash flows data for the years ended December 31, 2015, 2014 and 2013 and the consolidated balance sheet data as of December 31, 2015 and 2014 are derived from our audited consolidated financial statements contained in Item 8, "Financial Statements and Supplementary Data," of this Annual Report on Form 10-K. The consolidated statements of operations data and consolidated statements of cash flows data for the year ended December 31, 2012 and the consolidated balance sheet data as of December 31, 2013 are derived from audited consolidated financial statements not included in this Annual Report on Form 10-K. The consolidated statements of operations data and consolidated statements of cash flows data for the year ended December 31, 2011 and the consolidated balance sheet data as of December 31, 2012 and 2011 are derived from unaudited consolidated financial statements not included in this Annual Report on Form 10-K. The unaudited consolidated financial statements have been prepared on the same basis as our audited consolidated financial statements and, in the opinion of management, reflect all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of this data. Our historical results are not necessarily indicative of the results to be expected in the future. All amounts presented below are in thousands, except per share amounts.

	Year Ended December 31,				
	2015	2014	2013	2012	2011
Consolidated Statements of Operations Data:					
Revenue	$ 2,960,896	$ 2,631,417	$ 2,523,546	$ 2,382,148	$ 2,252,446
Operating income (loss)	459,769	421,345	380,930	(6,586)	331,112
Income (loss) from continuing operations	234,555	110,873	52,066	(215,427)	113,477
Income (loss) from discontinued operations, net of tax	314,408	(38,918)	(149,697)	(394,410)	(193,873)
Net income (loss) attributable to Sabre Corporation	545,482	69,223	(100,494)	(611,356)	(66,074)
Net income (loss) attributable to common stockholders	545,482	57,842	(137,198)	(645,939)	(98,653)
Net income (loss) per share attributable to common stockholders:					
Basic	$ 2.00	$ 0.24	$ (0.77)	$ (3.65)	$ (0.56)
Diluted	$ 1.95	$ 0.23	$ (0.74)	$ (3.65)	$ (0.54)
Weighted-average common shares outstanding:					
Basic	273,139	238,633	178,125	177,206	176,703
Diluted	280,067	246,747	184,978	177,206	181,889
Consolidated Statements of Cash Flows Data:					
Cash provided by operating activities	$ 529,207	$ 387,659	$ 228,232	$ 308,164	$ 265,854
Cash used in investing activities	(729,041)	(258,791)	(239,999)	(209,815)	(139,861)
Cash provided by (used in) financing activities	93,144	(71,945)	262,172	(25,120)	(271,540)
Additions to property and equipment	(286,697)	(227,227)	(209,523)	(167,043)	(128,239)
Cash payments for interest	154,307	197,782	255,620	264,990	184,449
Other Financial Data:					
Adjusted Gross Margin	$ 1,316,820	$ 1,146,792	$ 1,060,302	$ 998,607	$ 886,018
Adjusted Net Income	308,072	232,477	182,187	147,734	217,482
Adjusted EBITDA	941,587	840,028	778,754	731,412	649,285
Adjusted Capital Expenditures	350,079	265,038	268,337	245,586	187,348
Free Cash Flow	242,510	160,432	18,709	141,121	137,615
Adjusted Free Cash Flow	299,505	293,375	181,715	305,662	170,985
Key Metrics:					
Travel Network					
Direct Billable Bookings - Air	384,309	321,962	314,275	326,175	328,200
Direct Billable Bookings - Non-Air	58,414	54,122	53,503	53,669	53,683
Total Direct Billable Bookings	442,723	376,084	367,778	379,844	381,883
Airline Solutions Passengers Boarded	584,876	510,713	478,088	405,420	364,420

	As of December 31,				
	2015	2014	2013	2012	2011
Consolidated Balance Sheet Data:					
Cash and cash equivalents	$ 321,132	$ 155,679	$ 308,236	$ 126,695	$ 58,350
Total assets[1]	5,393,627	4,643,073	4,755,708	4,711,245	5,252,780
Long-term debt[1]	3,169,344	3,040,009	3,643,548	3,420,927	3,307,905
Working capital deficit[1]	(222,400)	(201,052)	(268,272)	(428,569)	(411,482)
Redeemable preferred stock	—	—	634,843	598,139	563,557
Noncontrolling interest	1,438	621	508	88	(18,693)
Total stockholders' equity	484,140	84,383	(952,536)	(876,875)	(196,919)

(1) In the fourth quarter of 2015, we adopted new accounting standards that changed the presentation of deferred tax assets and liabilities and debt issuance costs; see Note 1, Summary of Business and Significant Accounting Policies for additional information. We applied the new guidance on a retrospective basis to the balance sheet data as of December 31, 2014. The balance sheet data as of December 2013, 2012 and 2011 were not adjusted.

Non-GAAP Financial Measures

The following table sets forth the reconciliation of net income (loss) attributable to common stockholders to Adjusted Net Income and Adjusted EBITDA (in thousands):

	Year Ended December 31,				
	2015	2014	2013	2012	2011
Net income (loss) attributable to common stockholders	$ 545,482	$ 57,842	$ (137,198)	$ (645,939)	$ (98,653)
Net (income) loss from discontinued operations, net of tax	(314,408)	38,918	149,697	394,410	193,873
Net income (loss) attributable to noncontrolling interests[1]	3,481	2,732	2,863	1,519	(14,322)
Preferred stock dividends	—	11,381	36,704	34,583	32,579
Income (loss) from continuing operations	234,555	110,873	52,066	(215,427)	113,477
Adjustments:					
Impairment[2]	—	—	—	44,054	—
Gain on sale of business and assets	—	—	—	(25,850)	—
Acquisition-related amortization[3a]	108,121	99,383	132,685	129,869	129,235
Loss on extinguishment of debt	38,783	33,538	12,181	—	—
Other, net[5]	(91,377)	63,860	305	6,635	(65)
Restructuring and other costs[6]	9,256	10,470	27,921	5,408	4,578
Acquisition-related costs[7]	14,437	—	—	—	—
Litigation costs[8]	16,709	14,144	18,514	396,412	21,601
Stock-based compensation	29,971	20,094	3,387	4,365	4,088
Management fees[9]	—	23,701	8,761	7,769	7,191
Tax impact of net income adjustments[10]	(52,383)	(143,586)	(73,633)	(205,501)	(62,623)
Adjusted Net Income from continuing operations	$ 308,072	$ 232,477	$ 182,187	$ 147,734	$ 217,482
Adjusted Net Income from continuing operations per share	$ 1.10	$ 0.94	$ 0.98	$ 0.81	$ 1.20
Diluted weighted-average common shares outstanding[11]	280,067	246,747	184,978	182,830	181,889
Adjusted Net Income from continuing operations	308,072	232,477	182,187	147,734	217,482
Adjustments:					
Depreciation and amortization of property and equipment[3b]	213,520	157,592	123,414	96,668	78,867
Amortization of capitalized implementation costs[3c]	31,441	35,859	34,143	19,439	11,365
Amortization of upfront incentive consideration[4]	43,521	45,358	36,649	36,527	37,748
Interest expense, net	173,298	218,877	274,689	232,450	174,390
Remaining provision (benefit) for income taxes	171,735	149,865	127,672	198,594	129,433
Adjusted EBITDA	$ 941,587	$ 840,028	$ 778,754	$ 731,412	$ 649,285

The following tables set forth the reconciliation of operating income (loss) in our statement of operations, the most comparable GAAP measure, to Adjusted Gross Margin and Adjusted EBITDA by business segment (in thousands):

	Year Ended December 31, 2015			
	Travel Network	Airline and Hospitality Solutions	Corporate	Total
Operating income (loss)	$ 751,546	$ 180,448	$ (472,225)	$ 459,769
Add back:				
Selling, general and administrative	116,511	62,247	378,319	557,077
Cost of revenue adjustments:				
Depreciation and amortization[3]	62,337	142,109	40,089	244,535
Amortization of upfront incentive consideration[4]	43,521	—	—	43,521
Stock-based compensation	—	—	11,918	11,918
Adjusted Gross Margin	973,915	384,804	(41,899)	1,316,820
Selling, general and administrative	(116,511)	(62,247)	(378,319)	(557,077)
Joint venture equity income	14,842	—	—	14,842
Joint venture intangible amortization[3a]	1,602	—	—	1,602
Selling, general and administrative adjustments:				
Depreciation and amortization[3]	3,428	904	102,613	106,945
Restructuring and other costs [6]	—	—	9,256	9,256
Acquisition-related costs[7]	—	—	14,437	14,437
Litigation costs[8]	—	—	16,709	16,709
Stock-based compensation	—	—	18,053	18,053
Adjusted EBITDA	$ 877,276	$ 323,461	$ (259,150)	$ 941,587

	Year Ended December 31, 2014			
	Travel Network	Airline and Hospitality Solutions	Corporate	Total
Operating income (loss)	$ 657,326	$ 176,730	$ (412,711)	$ 421,345
Add back:				
Selling, general and administrative	102,059	56,195	309,340	467,594
Cost of revenue adjustments:				
Depreciation and amortization[3]	58,533	104,926	34,950	198,409
Amortization of upfront incentive consideration[4]	45,358	—	—	45,358
Restructuring and other costs[6]	—	—	6,042	6,042
Stock-based compensation	—	—	8,044	8,044
Adjusted Gross Margin	863,276	337,851	(54,335)	1,146,792
Selling, general and administrative	(102,059)	(56,195)	(309,340)	(467,594)
Joint venture equity income	12,082	—	—	12,082
Joint venture intangible amortization[3a]	3,204	—	—	3,204
Selling, general and administrative adjustments:				
Depreciation and amortization[3]	2,174	992	88,055	91,221
Restructuring and other costs[6]	—	—	4,428	4,428
Litigation costs[8]	—	—	14,144	14,144
Stock-based compensation	—	—	12,050	12,050
Management fees[9]	—	—	23,701	23,701
Adjusted EBITDA	$ 778,677	$ 282,648	$ (221,297)	$ 840,028

	Year Ended December 31, 2013			
	Travel Network	Airline and Hospitality Solutions	Corporate	Total
Operating income (loss)	$ 667,498	$ 135,755	$ (422,323)	$ 380,930
Add back:				
Selling, general and administrative	106,392	51,538	279,523	437,453
Cost of revenue adjustments:				
Depreciation and amortization[3]	50,254	75,093	67,076	192,423
Amortization of upfront incentive consideration[4]	36,649	—	—	36,649
Restructuring and other costs[6]	—	—	11,491	11,491
Stock-based compensation	—	—	1,356	1,356
Adjusted Gross Margin	860,793	262,386	(62,877)	1,060,302
Selling, general and administrative	(106,392)	(51,538)	(279,523)	(437,453)
Joint venture equity income	12,350	—	—	12,350
Joint venture intangible amortization[3a]	3,204	—	—	3,204
Selling, general and administrative adjustments:				
Depreciation and amortization[3]	2,253	2,227	90,135	94,615
Restructuring and other costs[6]	—	—	16,430	16,430
Litigation costs[8]	—	—	18,514	18,514
Stock-based compensation	—	—	2,031	2,031
Management fees[9]	—	—	8,761	8,761
Adjusted EBITDA	$ 772,208	$ 213,075	$ (206,529)	$ 778,754

	Year Ended December 31, 2012			
	Travel Network	Airline and Hospitality Solutions	Corporate	Total
Operating income (loss)	$ 670,778	$ 114,272	$ (791,636)	$ (6,586)
Add back:				
Selling, general and administrative	101,934	52,754	638,606	793,294
Impairment	—	—	20,254	20,254
Cost of revenue adjustments:				
Depreciation and amortization[3]	34,624	51,395	63,456	149,475
Amortization of upfront incentive consideration[4]	36,527	—	—	36,527
Restructuring and other costs[6]	—	—	4,283	4,283
Litigation costs[8]	—	—	(23)	(23)
Stock-based compensation	—	—	1,383	1,383
Adjusted Gross Margin	843,863	218,421	(63,677)	998,607
Selling, general and administrative	(101,934)	(52,754)	(638,606)	(793,294)
Joint venture equity income	21,287	—	—	21,287
Joint venture intangible amortization[3a]	3,200	—	—	3,200
Selling, general and administrative adjustments:				
Depreciation and amortization[3]	2,036	615	90,650	93,301
Restructuring and other costs [6]	—	—	1,125	1,125
Litigation costs[8]	—	—	396,435	396,435
Stock-based compensation	—	—	2,982	2,982
Management fees[9]	—	—	7,769	7,769
Adjusted EBITDA	$ 768,452	$ 166,282	$ (203,322)	$ 731,412

	Year Ended December 31, 2011			
	Travel Network	Airline and Hospitality Solutions	Corporate	Total
Operating income (loss)	$ 594,418	$ 103,254	$ (366,560)	$ 331,112
Add back:				
Selling, general and administrative	111,003	50,306	230,999	392,308
Cost of revenue adjustments:				
Depreciation and amortization[3]	29,584	31,587	59,384	120,555
Amortization of upfront incentive consideration[4]	37,748	—	—	37,748
Restructuring and other costs[6]	—	—	3,038	3,038
Stock-based compensation	—	—	1,257	1,257
Adjusted Gross Margin	772,753	185,147	(71,882)	886,018
Selling, general and administrative	(111,003)	(50,306)	(230,999)	(392,308)
Joint venture equity income	23,501	—	—	23,501
Joint venture intangible amortization[3a]	3,200	—	—	3,200
Selling, general and administrative adjustments:				
Depreciation and amortization[3]	4,120	343	91,248	95,711
Restructuring and other costs[6]	—	—	1,540	1,540
Litigation costs[8]	—	—	21,601	21,601
Stock-based compensation	—	—	2,831	2,831
Management fees[9]	—	—	7,191	7,191
Adjusted EBITDA	$ 692,571	$ 135,184	$ (178,470)	$ 649,285

The components of Adjusted Capital Expenditures are presented below (in thousands):

	Year Ended December 31,				
	2015	2014	2013	2012	2011
Additions to property and equipment	$ 286,697	$ 227,227	$ 209,523	$ 167,043	$ 128,239
Capitalized implementation costs	63,382	37,811	58,814	78,543	59,109
Adjusted capital expenditures	$ 350,079	$ 265,038	$ 268,337	$ 245,586	$ 187,348

The following tables present information from our statements of cash flows and sets forth the reconciliation of cash provided by operating activities, the most comparable GAAP measure, to Free Cash Flow and Adjusted Free Cash Flow (in thousands):

	Year Ended December 31,				
	2015	2014	2013	2012	2011
Cash provided by operating activities	$ 529,207	$ 387,659	$ 228,232	$ 308,164	$ 265,854
Cash used in investing activities	(729,041)	(258,791)	(239,999)	(209,815)	(139,861)
Cash provided by (used in) financing activities	93,144	(71,945)	262,172	(25,120)	(271,540)

	Year Ended December 31,				
	2015	2014	2013	2012	2011
Cash provided by operating activities	$ 529,207	$ 387,659	$ 228,232	$ 308,164	$ 265,854
Additions to property and equipment	(286,697)	(227,227)	(209,523)	(167,043)	(128,239)
Free Cash Flow	242,510	160,432	18,709	141,121	137,615
Adjustments:					
Restructuring and other costs[6][12]	1,676	18,353	19,758	5,408	4,578
Acquisition-related costs[7][12]	13,836	—	—	—	—
Litigation settlement[13]	30,770	76,745	115,973	100,000	—
Other litigation costs[8][12]	10,713	14,144	18,514	51,364	21,601
Management fees[9][12]	—	23,701	8,761	7,769	7,191
Adjusted Free Cash Flow	$ 299,505	$ 293,375	$ 181,715	$ 305,662	$ 170,985

(1) Net income (loss) attributable to non-controlling interests represents an adjustment to include earnings allocated to non-controlling interest held in (i) Sabre Travel Network Middle East of 40% for all periods presented, (ii) Sabre Australia Technologies I Pty Ltd (“Sabre Pacific”) of 49% through February 24, 2012, the date we sold this business, (iii) Travelocity.com LLC of approximately 9.5% through December 31, 2012, the date we merged this minority interest back into our capital structure, (iv) Sabre Seyahat Dagitim Sistemleri A.S. of 40% beginning in April 2014, and (v) Abacus International Lanka Pte Ltd of 40% beginning in July 2015.

(2) Represents asset impairment charges as well as $24 million in 2012 of our share of impairment charges recorded by our previous equity method investment, AIPL.

(3) Depreciation and amortization expenses:
   a. Acquisition-related amortization represents amortization of intangible assets from the take-private transaction in 2007 as well as intangibles associated with acquisitions since that date. Also includes amortization of the excess basis in our underlying equity interest in AIPL's net assets prior to our acquisition of AIPL on July 1, 2015.
   b. Depreciation and amortization of property and equipment includes software developed for internal use.
   c. Amortization of capitalized implementation costs represents amortization of upfront costs to implement new customer contracts under our SaaS and hosted revenue model.

(4) Our Travel Network business at times provides upfront incentive consideration to travel agency subscribers at the inception or modification of a service contract, which are capitalized and amortized to cost of revenue over an average expected life of the service contract, generally over three to five years. Such consideration is made with the objective of increasing the number of clients or to ensure or improve customer loyalty. Such service contract terms are established such that the supplier and other fees generated over the life of the contract will exceed the cost of the incentive consideration provided upfront. Such service contracts with travel agency subscribers require that the customer commit to achieving certain economic objectives and generally have terms requiring repayment of the upfront incentive consideration if those objectives are not met.

(5) In 2015, we recognized a gain of $78 million associated with the remeasurement of our previously-held 35% investment in AIPL to its fair value and a gain of $12 million related to the settlement of pre-existing agreements between us and AIPL. In 2014, other, net primarily includes a fourth quarter charge of $66 million as a result of an increase to our tax receivable agreement (“TRA”) liability. The increase in our TRA liability is due to a reduction in a valuation allowance maintained against our deferred tax assets. This charge is fully offset by an income tax benefit recognized in the fourth quarter of 2014 from the reduction in the valuation allowance which is included in tax impacts of net income adjustments. In addition, all periods presented include foreign exchange gains and losses related to the remeasurement of foreign currency denominated balances included in our consolidated balance sheets into the relevant functional currency. See Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Tax Receivable Agreement” for additional information regarding the TRA.

(6) Restructuring and other costs represents charges associated with business restructuring and associated changes implemented which resulted in severance benefits related to employee terminations, integration and facility opening or closing costs and other business reorganization costs. In 2013, we recognized a restructuring charge of $8 million associated with our corporate technology organization, the majority of which was paid in 2014. In 2015, we recognized a restructuring charge of $9 million associated with the integration of Abacus, of which $1 million was paid.

(7) Acquisition-related costs represent fees and expenses incurred associated with the acquisition of Abacus and the Trust Group.

(8) Litigation costs represent charges associated with antitrust litigation.

(9) We paid an annual management fee to TPG Global, LLC (“TPG”) and Silver Lake Management Company (“Silver Lake”) in an amount between (i) $5 million and (ii) $7 million, plus reimbursement of certain costs incurred by TPG and Silver Lake, pursuant to the management services agreement (the “MSA”). In addition, we paid a $21 million fee, in the aggregate, to TPG and Silver Lake in connection with our initial public offering in 2014. The MSA was terminated in conjunction with our initial public offering.

(10) In 2014, the tax impact on net income adjustments includes a $66 million benefit recognized in the fourth quarter of 2014 from the reduction in a valuation allowance maintained against our deferred tax assets.

(11) The diluted weighted-average share outstanding presented for the year ended December 31, 2012 differs from GAAP and assumes the inclusion of 5,624,000 common stock equivalents associated with stock-options and restricted stock awards. We recognized a loss from continuing operations during the year ended December 31, 2012, which results in the basic weighted-average shares outstanding and the diluted-weighted average shares outstanding to be the same under GAAP.

(12) The adjustments to reconcile cash provided by operating activities to Adjusted Free Cash Flow reflect the amounts expensed in our statements of operations in the respective periods adjusted for cash and non-cash portions in instances where material.

(13) The years 2015, 2014 and 2013 include payment credits used by American Airlines to pay for purchases of our technology services. The payment credits were provided by us as part of our litigation settlement with American Airlines. The year 2014 also includes a $50 million payment to American Airlines in conjunction with the new Airline Solutions contract, which is being amortized as a reduction to revenue over the contract term. This payment reduced payment credits originally offered to American Airlines as a part of the litigation settlement in 2012, contingent upon the signature of a new reservation agreement, which were extended to include the combined American Airlines and US Airways reservation contract. The payment credits would have been utilized for future billings under the new agreement. The years 2013 and 2012 include payments associated with our litigation settlement with American Airlines.

Definitions of Non-GAAP Financial Measures

We have included both financial measures compiled in accordance with GAAP and certain non-GAAP financial measures in this Annual Report on Form 10-K, including Adjusted Gross Margin, Adjusted Net Income, Adjusted EBITDA, Adjusted Capital Expenditures, Free Cash Flow, Adjusted Free Cash Flow and ratios based on these financial measures.

We define Adjusted Gross Margin as operating income (loss) adjusted for selling, general and administrative expenses, impairment, amortization of upfront incentive consideration, and the cost of revenue portion of depreciation and amortization, restructuring and other costs, litigation costs, and stock-based compensation included in cost of revenue.

We define Adjusted Net Income as income (loss) from continuing operations adjusted for impairment, gain on sale of business and assets, acquisition-related amortization, loss on extinguishment of debt, other, net, restructuring and other costs, acquisition-related costs, litigation costs, stock-based compensation, management fees, and tax impact of net income adjustments.

We define Adjusted EBITDA as Adjusted Net Income adjusted for depreciation and amortization of property and equipment, amortization of capitalized implementation costs, amortization of upfront incentive consideration, interest expense, net, and the remaining provision (benefit) for income taxes.

We define Adjusted Capital Expenditures as additions to property and equipment and capitalized implementation costs.

We define Free Cash Flow as cash provided by operating activities less cash used in additions to property and equipment. We define Adjusted Free Cash Flow as Free Cash Flow plus the cash flow effect of restructuring and other costs, litigation settlement, other litigation costs and management fees.

These non-GAAP financial measures are key metrics used by management and our board of directors to monitor our ongoing core operations because historical results have been significantly impacted by events that are unrelated to our core operations as a result of changes to our business and the regulatory environment. We believe that these non-GAAP financial measures are used by investors, analysts and other interested parties as measures of financial performance and to evaluate our ability to service debt obligations, fund capital expenditures and meet working capital requirements. Adjusted Capital Expenditures includes cash flows used in investing activities, for property and equipment, and cash flows used in operating activities, for capitalized implementation costs. Our management uses this combined metric in making product investment decisions and determining development resource requirements. We also believe that Adjusted Gross Margin, Adjusted Net Income, Adjusted EBITDA and Adjusted Capital Expenditures assist investors in company-to-company and period-to-period comparisons by excluding differences caused by variations in capital structures (affecting interest expense), tax positions and the impact of depreciation and amortization expense. In addition, amounts derived from Adjusted EBITDA are a primary component of certain covenants under our senior secured credit facilities.

Adjusted Gross Margin, Adjusted Net Income, Adjusted EBITDA, Adjusted Capital Expenditures, Free Cash Flow, Adjusted Free Cash Flow and ratios based on these financial measures are not recognized terms under GAAP. These non-GAAP financial measures and ratios based on them have important limitations as analytical tools, and should not be viewed in isolation and do not purport to be alternatives to net income as indicators of operating performance or cash flows from operating activities as measures of liquidity. These non-GAAP financial measures and ratios based on them exclude some, but not all, items that affect net income or cash flows from operating activities and these measures may vary among companies. Our use of these measures has limitations as an analytical tool, and you should not consider them in isolation or as substitutes for analysis of our results as reported under GAAP. Some of these limitations are:

- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted Gross Margin and Adjusted EBITDA do not reflect cash requirements for such replacements;
- Adjusted Net Income and Adjusted EBITDA do not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not reflect the interest expense or the cash requirements necessary to service interest or principal payments on our indebtedness;
- Adjusted EBITDA does not reflect tax payments that may represent a reduction in cash available to us;
- Free Cash Flow and Adjusted Free Cash Flow do not reflect the cash requirements necessary to service the principal payments on our indebtedness;
- Adjusted Free Cash Flow does not reflect payments related to restructuring activities, litigation, acquisition-related costs and management fees;
- Free Cash Flow and Adjusted Free Cash Flow remove the impact of accrual-basis accounting on asset accounts and non-debt liability accounts; and
- other companies, including companies in our industry, may calculate Adjusted Gross Margin, Adjusted Net Income, Adjusted EBITDA, Adjusted Capital Expenditures, Free Cash Flow or Adjusted Free Cash Flow differently, which reduces their usefulness as comparative measures.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with our consolidated financial statements and related notes included in Item 8 of this Annual Report on Form 10-K.

Overview

We are a leading technology solutions provider to the global travel and tourism industry. We operate through two business segments: (i) Travel Network, our global B2B travel marketplace for travel suppliers and travel buyers and (ii) Airline and Hospitality Solutions, an extensive suite of leading software solutions primarily for airlines and hotel properties. Collectively, these offerings enable travel suppliers to better serve their customers across the entire travel lifecycle, from planning to post-trip business intelligence, marketing and analytics.

A significant portion of our revenue is generated through transaction-based fees that we charge to our customers. For Travel Network, this fee is in the form of a transaction fee for bookings on our GDS; for Airline and Hospitality Solutions, this fee is a recurring usage-based fee for the use of our SaaS and hosted systems, as well as implementation fees and consulting fees. Items that are not allocated to our business segments are identified as corporate and include primarily certain shared technology costs as well as stock-based compensation expense, litigation costs and other items that are not identifiable with one of our segments.

In the first quarter of 2015, we completed our exit of the online travel agency business through the sale of Travelocity.com and lastminute.com. Our Travelocity segment has no remaining operations as a result of these dispositions. The financial results of our Travelocity segment are included in net income (loss) from discontinued operations in our consolidated statements of operations for all periods presented. The discussion and analysis of our results of operations refers to continuing operations unless otherwise indicated.

On July 1, 2015, we completed the acquisition of the remaining 65% interest in AIPL, a Singapore-based business-to-business travel e-commerce provider that serves the Asia-Pacific region. Prior to the acquisition, AIPL was 65% owned by a consortium of 11 airlines and the remaining 35% was owned by us. In the third and fourth quarters of 2015, AIPL completed the acquisition of the remaining interest in three national marketing companies, Abacus Distribution Systems (Hong Kong), Abacus Travel Systems (Singapore) and Abacus Distribution Systems Sdn Bhd (Malaysia) (the “NMCs” and together with AIPL, “Abacus”). The net cash consideration for Abacus was $442 million. Abacus is managed as a region of our Travel Network business. Separately, AIPL has signed new long-term agreements with the consortium of 11 airlines to continue to utilize the Abacus GDS.

In January 2016, we completed the acquisition of the Trust Group of Companies (“Trust Group”), a central reservation, revenue management and hotel marketing provider with a significant presence in EMEA and APAC, for net cash consideration of $159 million, subject to the finalization of working capital adjustments. The Trust Group will be integrated and managed as part of our Airline and Hospitality Solutions segment.

Factors Affecting our Results

The following is a discussion of trends that we believe are the most significant opportunities and challenges currently impacting our business and industry. The discussion also includes management’s assessment of the effects these trends have had and are expected to have on our results of continuing operations. This information is not an exhaustive list of all of the factors that could affect our results and should be read in conjunction with the factors referred to in the sections entitled “Risk Factors” and “Forward-Looking Statements” included elsewhere in this Annual Report on Form 10-K.

Shift to SaaS and hosted solutions by airlines and hotels to manage their daily operations

Initially, large travel suppliers built custom in-house software and applications for their business process needs. In response to a desire for more flexible systems given increasingly complex and constantly changing technological requirements, reduced IT budgets and increased focus on cost efficiency, many travel suppliers turned to third party solutions providers for many of their key technologies and began to license software from software providers. We believe that significant revenue opportunity remains in this outsourcing trend, as legacy in-house systems continue to migrate and upgrade to third party systems. By moving away from one time license fees to recurring monthly fees associated with our SaaS and hosted solutions, our revenue stream has become more predictable and sustainable. The SaaS and hosted models’ centralized deployment also allows us to save time and money by reducing maintenance and implementation tasks and lowering operating costs.

Increasing importance of OTAs to Travel Network

The significance of OTAs to our Travel Network business has increased in recent years and as a result, our earnings may be impacted by factors affecting OTAs. As OTAs experience growth, we believe they shift bookings away from offline travel agencies and direct channels of travel suppliers. We expect to continue to benefit from this trend as we are a substantial GDS provider to the OTA industry. However, we may face pricing pressure in the future as OTAs increase their bargaining power through growth by consolidation.

Growing demand for continued technology improvements in the fragmented hotel market

Most of the hotel market is highly fragmented. Independent hotels and small to medium sized chains (groups of less than 300 properties) comprise a majority of hotel properties and available hotel rooms, with global and regional chains comprising the balance. Hotels use a number of different technology systems to distribute and market their products and operate efficiently. We offer technology solutions to all segments of the hospitality market, particularly independent hotels and small to medium sized chains. Our SynXis Enterprise Platform integrates critical hospitality systems to optimize distribution, operations, retailing and guest experience via one scalable, flexible and intelligent platform. As these markets continue to grow, we believe independent hotel owners and operators will continue to seek increased connectivity and integrated solutions to ensure access to global travelers. We anticipate that this will contribute to the continued growth of Airline and Hospitality Solutions, which is ultimately dependent upon these hoteliers accepting and utilizing our products and services.

Geographic mix of Travel Network

There are structural differences between the geographies in which we operate. Due to our geographic concentration, our results of operations are particularly sensitive to factors affecting North America. For example, booking fees per transaction in North America have traditionally been lower than those in Europe. By growing internationally with our TMC and OTA customers and expanding the travel content available on our GDS to target regional traveler preferences, we anticipate that we will maintain share in North America and grow share in Europe, APAC and Latin America. For the year ended December 31, 2015, we derived approximately 61% of our Direct Billable Bookings from North America, 18% from EMEA and 21% from the rest of the world. For the year ended December 31, 2014, we derived approximately 68% of our Direct Billable Bookings from North America, 19% from EMEA and 13% from the rest of the world.

Travel buyers can shift their bookings to or from our Travel Network business

Our Travel Network business relies on relationships with several large travel buyers, including TMCs and OTAs, to drive a large portion of its revenue. Although our contracts with larger travel agencies often increase the amount of the incentive consideration when the travel agency processes a certain volume or percentage of its bookings through our GDS, travel buyers are not contractually required to book exclusively through our GDS during the contract term. Travel buyers may shift bookings to other distribution intermediaries for many reasons, including to avoid becoming overly dependent on a single source of travel content and increase their bargaining power with the GDS providers. For example, in late 2012, Expedia adopted a dual GDS provider strategy and shifted a sizeable portion of its business from our GDS to a competitor GDS, resulting in a year over year decline in our transaction volumes in 2013. Conversely, certain European OTAs including Unister, eTravel, TravelPlanet24 and Bravofly that did not previously use our GDS shifted a portion of their business to our GDS.

Increasing importance of LCC/hybrids in Travel Network and Airline and Hospitality Solutions

Hybrid and LCCs have become a significant segment of the air travel market, stimulating demand for air travel through low fares. LCC/hybrids have traditionally relied on direct distribution for the majority of their bookings. However, as these LCC/hybrids are evolving, many are increasing their distribution through indirect channels to expand their offering into higher yield markets and to higher yield customers, such as business and international travelers. Other LCC/hybrids, especially start up carriers, may choose not to distribute through the GDS until wider distribution is desired.

Increasing travel agency incentive consideration

Travel agency incentive consideration is a large portion of Travel Network expenses. The vast majority of incentive consideration is tied to absolute booking volumes based on transactions such as flight segments booked. Incentive consideration, which often increases once a certain volume or percentage of bookings is met, is provided in two ways, according to the terms of the agreement: (i) on a periodic basis over the term of the contract and (ii) in some instances, up front at the inception or modification of contracts, which is capitalized and amortized over the expected life of the contract. Although this consideration has been increasing in real terms, growing in the low-single digits on a per booking basis in recent years, it has been relatively stable as a

percentage of Travel Network revenue over the last five years, partially due to our focus on managing incentive consideration. We believe we have been effective in mitigating the trend towards increasing incentive consideration by offering value added products and content, such as Sabre Red Workspace, a SaaS product available to our travel buyers that provides an easy to use interface along with many travel agency workflow and productivity tools.

Continued focus by travel suppliers on cost cutting and exerting influence over distribution

Travel suppliers continue to look for ways to decrease their costs and to increase their control over distribution. Airline consolidations, pricing pressure during contract renegotiations and the use of direct distribution may continue to subject our business to challenges. The shift from indirect distribution channels, such as our GDS, to direct distribution channels, may result from increased content availability on supplier operated websites or from increased participation of meta search engines, such as Kayak and Google, which direct consumers to supplier operated websites. This trend may adversely affect our Travel Network contract renegotiations with suppliers that use alternative distribution channels. For example, airlines may withhold part of their content for distribution exclusively through their own direct distribution channels or offer more attractive terms for content available through those direct channels. However, since 2010, we believe the rate at which bookings are shifting from indirect to direct distribution channels has slowed for a number of reasons, including the increased participation of LCC/hybrids in indirect channels. Over the last several years, notable carriers that previously only distributed directly, including JetBlue and Norwegian, have adopted our GDS. Other carriers such as EVA Airways and Virgin Australia have further increased their participation in a GDS.

These trends have impacted the revenue of Travel Network, which recognizes revenue for airline ticket sales based on transaction volumes, and the revenue of Airline and Hospitality Solutions, which recognizes a portion of its revenue based on the number of passengers boarded, depending upon the applicable revenue model. Simultaneously, this focus on cost cutting and direct distribution has also presented opportunities for Airline and Hospitality Solutions. Many airlines have turned to outside providers for key systems, process and industry expertise and other products that assist in their cost cutting initiatives in order to focus on their primary revenue generating activities.

Components of Revenues and Expenses

Revenues

Travel Network primarily generates revenues from Direct Billable Bookings processed on our GDS as well as the sale of aggregated bookings data to carriers. Prior to our acquisition of the remaining interest in AIPL on July 1, 2015, we generated revenue from certain services we provided AIPL. Airline and Hospitality Solutions primarily generates revenue through upfront solution fees and recurring usage-based fees for the use of our software solutions hosted on our own secure platforms or deployed through our SaaS. Airline and Hospitality Solutions also generates revenue through consulting services and software licensing fees.

Cost of revenue

Cost of revenue incurred by Travel Network and Airline and Hospitality Solutions consists of expenses related to our technology infrastructure that hosts our GDS and software solutions, salaries and benefits, and allocated overhead such as facilities and other support costs. Cost of revenue for Travel Network also includes incentive consideration expense representing payments or other consideration to travel agencies for reservations made on our GDS which have accrued on a monthly basis.

Corporate cost of revenue includes a technology organization that provides development and support activities to our segments. The costs associated with our technology organization primarily include labor, data processing and technology costs, of which the majority are allocated to the segments primarily based on the segments' usage of resources. Corporate cost of revenue also includes stock-based compensation expense, professional services and other items that are not identifiable with our segments.

Depreciation and amortization included in cost of revenue is associated with property and equipment; software developed for internal use that supports our revenue, businesses and systems; amortization of contract implementation costs which relates to Airline and Hospitality Solutions; and intangible assets for technology purchased through acquisitions or established with our take-private transaction. Cost of revenue also includes amortization of upfront incentive consideration representing upfront payments or other consideration provided to travel agencies for reservations made on our GDS which are capitalized and amortized over the expected life of the contract.

Selling, General and Administrative Expenses

Selling, general and administrative expenses consist of personnel-related expenses for employees that sell our services to new customers and administratively support the business, information technology and communication costs, professional services fees, certain settlement charges and costs to defend legal disputes, bad debt expense, depreciation and amortization and other overhead costs.

Intersegment Transactions

We account for significant intersegment transactions as if the transactions were with third parties, that is, at estimated current market prices. Airline and Hospitality Solutions pays fees to Travel Network for airline trips booked through our GDS. In addition, Travel Network historically recognized intersegment incentive consideration expense for bookings generated by our discontinued Travelocity business. These costs are representative of costs incurred on a consolidated basis relating to Travel Network's revenue from airlines for bookings transacted through our GDS.

Key Metrics

"Direct Billable Bookings" and "Passengers Boarded" are the primary metrics utilized by Travel Network and Airline Solutions, respectively, to measure operating performance. Travel Network generates fees for each Direct Billable Booking which include bookings made through our GDS (e.g., air, car and hotel bookings) and through our joint venture partners in cases where we are paid directly by the travel supplier. Passengers Boarded ("PBs") is the primary metric used by Airline Solutions to recognize SaaS and Hosted revenue from recurring usage-based fees. The following table sets forth our key metrics (in thousands):

	Year Ended December 31,			% Change	
	2015	2014	2013	2015-2014	2014-2013
Travel Network					
Direct Billable Bookings - Air	384,309	321,962	314,275	19.4%	2.4%
Direct Billable Bookings - Non-Air	58,414	54,122	53,503	7.9%	1.2%
Total Direct Billable Bookings	442,723	376,084	367,778	17.7%	2.3%
Airline Solutions Passengers Boarded	584,876	510,713	478,088	14.5%	6.8%

Results of Operations

The following table sets forth our consolidated statement of operations data for each of the periods presented:

	Year Ended December 31,		
	2015	2014	2013
	(Amounts in thousands)		
Revenue	$ 2,960,896	$ 2,631,417	$ 2,523,546
Cost of revenue	1,944,050	1,742,478	1,705,163
Selling, general and administrative	557,077	467,594	437,453
Operating income	459,769	421,345	380,930
Interest expense, net	(173,298)	(218,877)	(274,689)
Loss on extinguishment of debt	(38,783)	(33,538)	(12,181)
Joint venture equity income	14,842	12,082	12,350
Other income (expense), net	91,377	(63,860)	(305)
Income from continuing operations before income taxes	353,907	117,152	106,105
Provision for income taxes	119,352	6,279	54,039
Income from continuing operations	$ 234,555	$ 110,873	$ 52,066

Years Ended December 31, 2015 and 2014

Revenue

	Year Ended December 31,			
	2015	2014	Change	
	(Amounts in thousands)			
Travel Network	$ 2,102,792	$ 1,854,785	$ 248,007	13%
Airline and Hospitality Solutions	872,086	786,478	85,608	11%
Total segment revenue	2,974,878	2,641,263	333,615	13%
Eliminations	(13,982)	(9,846)	(4,136)	42%
Total revenue	$ 2,960,896	$ 2,631,417	$ 329,479	13%

Travel Network—Revenue increased $248 million, or 13%, for the year ended December 31, 2015 compared to the prior year. The increase in revenue primarily resulted from:

- a $272 million increase in transaction-based revenue to $1,887 million primarily due to the acquisition of Abacus. Direct Billable Bookings increased by 18% to 443 million in the year ended December 31, 2015. Excluding the impact of the acquisition of Abacus, Direct Billable Bookings increased by 6%, which was driven by growth of 6% in North America and 15% in EMEA, partially offset by a slight decline in Latin America; and
- the increase in revenue was partially offset by a $21 million decrease in other revenue related to services we provided to Abacus prior to the acquisition.

Airline and Hospitality Solutions—Revenue increased $86 million, or 11%, for the year ended December 31, 2015 compared to the prior year. The increase in revenue primarily resulted from:

- a $57 million increase in Airline Solutions' SabreSonic revenue for the year ended December 31, 2015 compared to the same period in the prior year. Approximately $38 million of the revenue increase in SabreSonic is attributable to growth in PBs of 15% to 585 million for the year ended December 31, 2015, combined with a $10 million increase in revenue due to broader adoption of our products by our existing customers. The growth in PBs was driven by existing customers and also by the cutover of American Airlines Group to SabreSonic in the fourth quarter of 2015. In addition, revenue associated with the extension of a services contract with a significant customer increased by $10 million during the year ended December 31, 2015. This contract was extended in conjunction with a litigation settlement agreement with that customer in 2012; and
- a $28 million increase in Hospitality Solutions revenue to $159 million for the year ended December 31, 2015 compared to $132 million in the prior year, primarily driven by an increase in CRS transactions.

Cost of Revenue

	Year Ended December 31,			
	2015	2014	Change	
	(Amounts in thousands)			
Travel Network	$ 1,128,878	$ 991,509	$ 137,369	14 %
Airline and Hospitality Solutions	487,282	448,627	38,655	9 %
Eliminations	(13,653)	(9,830)	(3,823)	39 %
Total segment cost of revenue	1,602,507	1,430,306	172,201	12 %
Corporate	53,487	68,405	(14,918)	(22)%
Depreciation and amortization	244,535	198,409	46,126	23 %
Amortization of upfront incentive consideration	43,521	45,358	(1,837)	(4)%
Total cost of revenue	$ 1,944,050	$ 1,742,478	$ 201,572	12 %

Travel Network—Cost of revenue increased $137 million, or 14%, for the year ended December 31, 2015 compared to the prior year. The increase is primarily the result of an increase in incentive consideration as well as other costs associated with Abacus' operations.

Airline and Hospitality Solutions—Cost of revenue increased $39 million, or 9%, for the year ended December 31, 2015 compared to the prior year. The increase was primarily the result of higher transaction-related expenses, including technology costs, driven by growth in transaction volumes and an increase in headcount-related costs.

Corporate—Cost of revenue associated with corporate unallocated costs decreased $15 million, or 22%, for the year ended December 31, 2015 compared to the prior year. The decrease was primarily the result of a $26 million decrease in unallocated labor costs, partially offset by an increase of $10 million of shared data processing and technology costs.

Depreciation and amortization—Cost of revenue associated with depreciation and amortization increased $46 million, or 23%, for the year ended December 31, 2015 compared to the prior year. The increase was primarily due to the completion and amortization of software developed for internal use and an increase in amortization of definite-lived intangible assets associated with the acquisition of Abacus.

Selling, General and Administrative Expenses

	Year Ended December 31,			
	2015	2014	Change	
	(Amounts in thousands)			
Selling, general and administrative	$ 557,077	$ 467,594	$ 89,483	19%

Selling, general and administrative expenses ("SG&A") increased by $89 million, or 19%, for the year ended December 31, 2015 compared to the prior year. The acquisition of Abacus contributed $55 million to the increase in SG&A, primarily due to its costs of operations, $14 million in acquisition-related costs, $9 million in restructuring and related costs, and $10 million of amortization of acquired intangible assets. In addition, there were increases of $42 million in headcount related costs to support the growth of our business, including $6 million of stock-based compensation expense, $12 million in professional fees and $5 million in depreciation and amortization. These increases were partially offset by $24 million in management fees paid in the prior year to TPG and Silver Lake mainly in connection with our initial public offering.

Interest Expense, net

	Year Ended December 31,			
	2015	2014	Change	
	(Amounts in thousands)			
Interest expense, net	$ 173,298	$ 218,877	$ (45,579)	(21)%

Interest expense, net, decreased $46 million, or 21%, for the year ended December 31, 2015 compared to the prior year. The decrease was primarily the result of a lower effective interest rate due to the extinguishment in April 2015 of our 8.5% senior secured notes due 2019 through the issuance of our 5.375% senior secured notes due 2023 and prepayments of $296 million on our Term C facility and $320 million on our senior secured notes due 2019, made in conjunction with our initial public offering in April 2014. In addition, we recognized $12 million in losses during the year ended December 31, 2014 associated with interest rate swaps that matured in September 2014.

Loss on Extinguishment of Debt

	Year Ended December 31,			
	2015	2014	Change	
	(Amounts in thousands)			
Loss on extinguishment of debt	$ 38,783	$ 33,538	$ 5,245	16%

As a result of the extinguishment of our senior secured notes due 2019 and the prepayment on our senior unsecured notes due 2016, we recognized losses on extinguishment of debt of $33 million and $6 million, respectively, during the year ended December 31, 2015. In the prior year, we recognized $31 million of losses on extinguishment of debt as a result of prepayments on our Term C facility and senior secured notes dues 2019, as well as $3 million related to amendments to our senior secured credit facility in February 2014.

Joint Venture Equity Income

	Year Ended December 31,			
	2015	2014	Change	
	(Amounts in thousands)			
Joint venture equity income	$ 14,842	$ 12,082	$ 2,760	23%

On July 1, 2015, we acquired the remaining 65% of our former joint venture, AIPL, which represents the majority of our joint venture income for the years ended December 31, 2015 and 2014. Joint venture equity income for the year ended December 31, 2015 includes a release of a significant tax reserve recorded by AIPL, prior to the acquisition on July 1, 2015, due to the resolution of certain tax positions with a local tax authority.

Other (Income) Expense, Net

	Year Ended December 31,			
	2015	2014	Change	
	(Amounts in thousands)			
Other (income) expense, net	$ (91,377)	$ 63,860	$ (155,237)	**%

** not meaningful

We recognized a gain of $78 million during the year ended December 31, 2015 as a result of the remeasurement of our previously-held 35% equity interest in AIPL to its fair value as of the acquisition date. In addition, we recognized a gain of $12 million during the year ended December 31, 2015 associated with the settlement of a pre-existing agreement between us and AIPL related to data processing services. In the fourth quarter of 2014, we recognized a charge of $66 million in other expenses, net as a result of an increase to our TRA liability. The increase in our TRA liability was due to a reduction in a valuation allowance maintained against our deferred tax assets. This charge was fully offset by an income tax benefit recognized in the fourth quarter of 2014 from the reduction in the valuation allowance. This increase was partially offset by realized and unrealized foreign currency exchange gains.

Provision for Income Taxes

	Year Ended December 31,			
	2015	2014	Change	
	(Amounts in thousands)			
Provision for income taxes	$ 119,352	$ 6,279	$ 113,073	**%

** not meaningful

Our effective tax rates for the years ended December 31, 2015 and 2014 were 33.7% and 5.4%, respectively. The increase in the effective tax rate for the year ended December 31, 2015 as compared to the prior year is primarily due to items recognized in the year ended December 31, 2014 that did not reoccur in the year ended December 31, 2015, which include the reduction in the valuation allowance related to certain U.S. deferred tax assets and the settlement of a state income tax contingency in our favor. The increase is partially offset by an increase in earnings in lower tax jurisdictions and the $78 million gain on remeasurement of our previously-held equity interest in AIPL, which is non-taxable.

The differences between our effective tax rates and the U.S. federal statutory income tax rate primarily result from our geographic mix of taxable income in various tax jurisdictions as well as the discrete tax items referenced above.

Year Ended December 31, 2014 and 2013

Revenue

	Year Ended December 31,			
	2014	2013	Change	
	(Amounts in thousands)			
Travel Network	$ 1,854,785	$ 1,821,498	$ 33,287	2%
Airline and Hospitality Solutions	786,478	711,745	74,733	10%
Total segment revenue	2,641,263	2,533,243	108,020	4%
Eliminations	(9,846)	(9,697)	(149)	2%
Total revenue	$ 2,631,417	$ 2,523,546	$ 107,871	4%

Travel Network—Revenue increased $33 million, or 2%, for the year ended December 31, 2014 compared to the prior year. The increase in revenue primarily resulted from:

- a $26 million increase in transaction-based revenue to $1,615 million as a result of an 8 million increase in Direct Billable Bookings, or 2%, to 376 million for the year ended December 31, 2014. The increase in bookings was partially offset by a decrease of less than 1% in the average booking fee primarily due to the impact on our average booking fee from US Airways merger with American Airlines, the unfavorable political and economic environment in Venezuela and the resolution of a billing dispute with US Airways. See “Liquidity and Capital Resources—Recent Events Impacting Our Liquidity—Political and Economic Environment in Venezuela” for a description of the impact of the environment in Venezuela on our business; and
- a $7 million increase in other revenue including media and marketing services.

Airline and Hospitality Solutions—Revenue increased $75 million, or 10%, for the year ended December 31, 2014 compared to the prior year. The increase in revenue primarily resulted from:

- a $36 million increase in Airline Solutions’ SabreSonic revenue for the year ended December 31, 2014 compared to the prior year. PBs increased 33 million, or 7%, to 511 million for the year ended December 31, 2014 which was driven by growth from existing customers and resulted in an increase in revenue of $18 million. In addition, we recognized $19 million in revenue during the year ended December 31, 2014 associated with the extension of a services contract with a significant customer. This contract was extended in conjunction with a litigation settlement agreement with that customer in 2012. These increases were partially offset by a decrease in revenue from professional services;
- a $20 million increase in Airline Solutions’ commercial and operations solutions; and
- a $19 million increase in Hospitality Solutions revenue to $132 million for the year ended December 31, 2014 compared to $113 million in the prior year, primarily driven by an increase in CRS transactions.

Cost of Revenue

	Year Ended December 31,			
	2014	2013	Change	
	(Amounts in thousands)			
Travel Network	$ 991,509	$ 960,705	$ 30,804	3 %
Airline and Hospitality Solutions	448,627	449,359	(732)	— %
Eliminations	(9,830)	(8,813)	(1,017)	12 %
Total segment cost of revenue	1,430,306	1,401,251	29,055	2 %
Corporate	68,405	74,840	(6,435)	(9)%
Depreciation and amortization	198,409	192,423	5,986	3 %
Amortization of upfront incentive consideration	45,358	36,649	8,709	24 %
Total cost of revenue	$ 1,742,478	$ 1,705,163	$ 37,315	2 %

Travel Network—Cost of revenue increased $31 million, or 3%, for the year ended December 31, 2014 compared to the prior year. The increase primarily resulted from a $37 million increase in incentive consideration, partially offset by decreases in labor and other costs.

Airline and Hospitality Solutions—Cost of revenue decreased $1 million, or less than 1%, for the year ended December 31, 2014 compared to the prior year. The decrease is primarily the result of a $13 million decrease in labor costs, partially offset by a $12 million increase in technology and transaction-related expenses driven by higher transaction volumes.

Corporate—Cost of revenue associated with corporate unallocated costs decreased $6 million, or 9%, for the year ended December 31, 2014 compared to the prior year. The decrease is primarily due to a $7 million decrease in unallocated labor costs, a $4 million decrease in professional fees and a $2 million decrease in data processing costs. These decreases were partially offset by an increase in cost of revenue from a $7 million contractual settlement received from a service provider in 2013 which did not reoccur in 2014.

Depreciation and amortization—Cost of revenue associated with depreciation and amortization increased $6 million, or 3%, for the year ended December 31, 2014 compared to the prior year. The increase is primarily due to the completion and amortization of software developed for internal use, partially offset by a decrease in amortization of intangible assets.

Amortization of upfront incentive consideration—Amortization of upfront incentive consideration increased by $9 million, or 24%, for the year ended December 31, 2014 compared to the prior year. The increase is primarily due to an increase in upfront consideration provided to travel agencies in the year ended December 31, 2014 compared to the prior year.

Selling, General and Administrative Expenses

	Year Ended December 31,			
	2014	2013	Change	
	(Amounts in thousands)			
Selling, general and administrative	$ 467,594	$ 437,453	$ 30,141	7%

SG&A increased by $30 million, or 7%, for the year ended December 31, 2014 compared to the prior year. The increase was due to an increase of $15 million in management fees paid to TPG and Silver Lake related to our initial public offering, a $10 million increase in professional fees primarily related to the implementation of certain public company requirements and strategic transactions, a $9 million increase in labor costs to support the growth of our business and a $5 million increase in bad debt expenses. These increases were partially offset by restructuring charges of $8 million recorded during the year ended December 31, 2013 that did not reoccur in the year ended December 31, 2014, and lower information technology costs and depreciation and amortization.

Interest Expense, net

	Year Ended December 31,			
	2014	2013	Change	
	(Amounts in thousands)			
Interest expense, net	$ 218,877	$ 274,689	$ (55,812)	(20)%

Interest expense, net, decreased $56 million, or 20%, for the year ended December 31, 2014 compared to the prior year. The decrease is primarily due to the prepayments on our 2019 Notes and Term Loan C (see "—Senior Secured Credit Facilities") and a lower effective interest rate as a result of our repricing amendments completed in February 2014. In addition, interest expense decreased due to lower modification expenses and lower imputed interest expense related to payments made in the fourth quarter of 2013 for our litigation settlement payable to American Airlines.

Loss on Extinguishment of Debt

	Year Ended December 31,			
	2014	2013	Change	
	(Amounts in thousands)			
Loss on extinguishment of debt	$ 33,538	$ 12,181	$ 21,357	175%

During the year ended December 31, 2014, we recognized losses on extinguishment of debt of $31 million in connection with the prepayments on our 2019 Notes and Term Loan C and $3 million related to the repricing of our Term Loan B completed in February 2014. During the year ended December 31, 2013, we recognized a loss on extinguishment of debt of $12 million as a result of our Amended and Restated Credit Agreement (see "Liquidity and Capital Resources—Senior Secured Credit Facilities").

Other Expense, net

	Year Ended December 31,			
	2014	2013	Change	
	(Amounts in thousands)			
Other expenses, net	$ 63,860	$ 305	$ 63,555	**%

** not meaningful

In the fourth quarter of 2014, we recognized a charge of $66 million in other expenses, net as a result of an increase to our TRA liability. The increase in our TRA liability is due to a reduction in a valuation allowance maintained against our deferred tax assets. This charge is fully offset by an income tax benefit recognized in the fourth quarter of 2014 from the reduction in the valuation allowance. This increase was partially offset by foreign exchange gains related to the remeasurement of foreign currency denominated balances included in our consolidated balance sheets into the relevant functional currency.

Provision for income taxes

	Year Ended December 31,			
	2014	2013	Change	
	(Amounts in thousands)			
Provision for income taxes	$ 6,279	$ 54,039	$ (47,760)	(88)%

Our effective tax rates for the years ended December 31, 2014 and 2013 were 5.4% and 50.9%, respectively. The decrease in the effective tax rate for the year ended December 31, 2014 as compared to the prior year was primarily due to the reduction in the valuation allowance related to certain U.S. deferred tax assets and the settlement of a state income tax contingency in our favor. These reductions were partially offset by a non-deductible increase in our TRA liability and changes in the geographic mix of our taxable income.

Liquidity and Capital Resources

Our principal sources of liquidity are: (i) cash flows from operations, (ii) cash and cash equivalents and (iii) borrowings under our $405 million Revolver (see "—Senior Secured Credit Facilities"). Borrowing availability under our Revolver is reduced by our outstanding letters of credit and restricted cash collateral. As of December 31, 2015 and 2014, our cash and cash equivalents, Revolver, and outstanding letters of credit were as follows (in thousands):

	As of December 31,	
	2015	2014
Cash and cash equivalents	$ 321,132	$ 155,679
Revolver outstanding balance	—	—
Available balance under the Revolver	380,603	358,619
Outstanding letters of credit	(24,560)	(46,545)

We consider cash equivalents to be highly liquid investments that are readily convertible into cash. Securities with contractual maturities of three months or less, when purchased, are considered cash equivalents. We record changes in a book overdraft position, in which our bank account is not overdrawn but recently issued and outstanding checks result in a negative general ledger balance, as cash flows from financing activities. We invest in a money market fund which is classified as cash and cash equivalents in our consolidated balance sheets and statements of cash flows. We held no short-term investments as of December 31, 2015 and 2014.

We consider the undistributed earnings of our foreign subsidiaries as of December 31, 2015 to be indefinitely reinvested and, accordingly, no U.S. income taxes have been provided thereon. As of December 31, 2015, the amount of indefinitely reinvested foreign earnings was approximately $235 million. As of December 31, 2015, $254 million of cash, cash equivalents, and marketable securities was held by our foreign subsidiaries. If such cash, cash equivalents and marketable securities are needed for our operations in the United States, we would be required to accrue and pay taxes on up to $133 million of these funds to repatriate all such cash, cash equivalents and marketable securities. We have not, nor do we anticipate the need to, repatriate funds from our controlled foreign corporations to the United States to satisfy domestic liquidity needs arising in the ordinary course of business, including liquidity needs associated with our domestic debt service requirements.

Liquidity Outlook

Our ability to generate cash depends on many factors beyond our control, and any failure to meet our debt service obligations could harm our business, financial condition and results of operations. Our ability to make payments on and to refinance our indebtedness, and to fund working capital needs, planned capital expenditures and dividends will depend on our ability to generate cash in the future, which is subject to general economic, financial, competitive, business, legislative, regulatory and other factors that are beyond our control. See "Risk Factors—We may require more cash than we generate in our operating activities, and additional funding on reasonable terms or at all may not be available."

We believe that cash flows from operations, cash and cash equivalents on hand and the Revolver provide adequate liquidity for our operational and capital expenditures and other obligations over the next twelve months.

We utilize cash and cash equivalents, supplemented by the Revolver, primarily to pay our operating expenses, make capital expenditures, invest in our products and offerings, pay quarterly dividends on our common stock, and service our debt and other long-term liabilities. Furthermore, on an ongoing basis, we will evaluate and consider strategic acquisitions, divestitures, joint ventures, repurchasing shares of our common stock or our outstanding debt obligations in open market or in privately negotiated transactions, as well as other transactions we believe may create stockholder value or enhance financial performance. These transactions may require cash expenditures or generate proceeds and, to the extent they require cash expenditures, may be funded through a combination of cash on hand, debt or equity offerings, or utilization of the Revolver.

In January 2016, we completed the acquisition of the Trust Group, a central reservations, revenue management and hotel marketing provider with a significant presence in EMEA and APAC. The Trust Group will be integrated and managed as part of our Airline and Hospitality Solutions segment. We paid net cash consideration of $159 million, which is subject to the finalization of working capital adjustments. The acquisition was funded using proceeds from our recently issued 5.25% senior secured notes due in 2023 and cash on hand. In addition, we intend to pay down our $165 million of senior unsecured notes due in March 2016 through a combination of cash on hand, utilization of the Revolver or debt offerings.

Dividends

During the year ended December 31, 2015, we paid quarterly cash dividends on our common stock totaling $99 million and expect to continue to pay quarterly cash dividends thereafter. Our board of directors has declared a cash dividend of $0.13 per share of our common stock, which will be paid on March 30, 2016 to stockholders of record as of March 21, 2016. We funded the 2015 dividends, and intend to fund any future dividends, from cash generated from our operations. Future cash dividends, if any, will be at the discretion of our board of directors and the amount of cash dividends per share will depend upon, among other things, our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions, number of shares of common stock outstanding and other factors the board of directors may deem relevant. The timing and amount of future dividend payments will be at the discretion of our board of directors. See "Risk Factors—Our ability to pay regular dividends to our stockholders is subject to the discretion of our board of directors and may be limited by our holding company structure and applicable provisions of Delaware law."

Recent Events Impacting Our Liquidity and Capital Resources

Sale of Travelocity.com and lastminute.com

On January 23, 2015, we sold Travelocity.com to Expedia for cash consideration of $280 million.

On March 1, 2015, we sold lastminute.com to Bravofly Rumbo Group. The transaction was completed through the transfer of net liabilities as of the date of sale consisting primarily of a working capital deficit of $70 million, partially offset by assets sold including intangible assets of $27 million. We did not receive any cash proceeds or any other significant consideration in the transaction other than payment for specific services being provided to the acquirer under a transition services agreement, which concludes on March 31, 2016. Additionally, at the time of sale, the acquirer entered into a long-term agreement with Travel Network to continue to utilize our GDS for bookings which generates incentive consideration paid by us to the acquirer.

Acquisition of Abacus

In July 2015, we completed the acquisition of the remaining 65% interest in AIPL and the acquisition of three national marketing companies for net cash consideration of $442 million, which includes the effect of net working capital adjustments finalized in the fourth quarter of 2015. The acquisition was funded with a combination of cash on hand and a $70 million draw on our Revolver, which was repaid in full during 2015.

Senior Secured Notes Due 2023

In April 2015, we issued $530 million senior secured notes due in April 2023 with a stated interest rate of 5.375% and received proceeds of $522 million, net of underwriting fees and commissions. We used the proceeds to redeem all of the $480 million principal of our senior secured notes due 2019, pay the 6.375% redemption premium of $31 million and the make whole premium of $2 million representing scheduled interest payable for the period between the redemption date of April 29, 2015 and the first call date of May 15, 2015. The remaining proceeds, combined with cash on hand, were used to pay accrued but unpaid interest of $19 million.

In November 2015, we issued $500 million senior secured notes due in 2023 with a stated interest rate of 5.25%. The net proceeds of $494 million, net of underwriting fees and commissions, were used to repay $235 million of the $400 million senior secured notes due 2016, pay a $5 million make-whole premium representing interest payable for the period between the redemption date of December 10, 2015 and the maturity date of March 15, 2016, and pay $5 million of accrued but unpaid interest on the redeemed portion of the senior secured notes due 2016. In addition, we used the net proceeds to repurchase 3,400,000 shares of our common stock totaling $99 million. The excess net proceeds, combined with cash on hand, were used to fund the acquisition of the Trust Group, which totaled $159 million and was completed in January 2016.

Secondary Public Offerings and Repurchase of Common Stock

During the year ended December 31, 2015, certain of our stockholders sold an aggregate of 103,970,000 shares of our common stock through secondary public offerings. In connection with one of these offerings, we repurchased 3,400,000 shares totaling $99 million from the underwriter of the offering. Share repurchases were made pursuant to a share repurchase program authorized by our Board of Directors on October, 31, 2015. This program was announced on November 4, 2015 and allowed for the purchase of up to $100 million of outstanding shares of our common stock in privately negotiated transactions or in the open market, or otherwise. Further share repurchases would require authorization by our Board of Directors. We did not receive any proceeds from the secondary public offerings. See “Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.”

Political and Economic Environment in Venezuela

Venezuela has imposed currency controls, including volume restrictions on the conversion of bolivars to U.S. dollars, which impact the ability of certain of our airline customers operating in the country to obtain U.S. dollars to make timely payments to us. Consequently, the collection of accounts receivable due to us can be, and has been, delayed. Due to the nature of this delay, we have recorded specific reserves against all outstanding balances due to us and are deferring the recognition of any future revenues effective January 1, 2014 until cash is collected in accordance with our policies. Accordingly, our accounts receivable are subject to a general collection risk, as there can be no assurance that we will be paid from such customers in a timely manner, if at all. Certain airlines have scaled back operations in response to the reduced demand for travel in conjunction with the political and economic uncertainty as well as the currency controls which has impacted our airline customers in Venezuela. During the year ended December 31, 2015, we collected $7 million from customers in Venezuela of which $6 million was outstanding as of December 31, 2014. Accounts receivable outstanding from customers in Venezuela totaled $14 million as of December 31, 2015, which will be recognized as revenue when cash is received.

Capital Expenditures and Implementation Costs

Capitalized costs associated with software developed for internal use represent a significant portion of our capital expenditures as we continue to develop and enhance our GDS and our SaaS and hosted systems. Capitalized implementation costs are upfront costs we incur related to the implementation of new customer contracts associated with our SaaS and hosted products. Implementation costs are sometimes partially offset by upfront solution fees that we charge and collect, depending on the customer contracts. During the year ended December 31, 2015, we incurred $287 million of capital expenditures, which includes $233 million related to software developed for internal use. We incurred $63 million of capitalized implementation costs and collected $93 million of upfront solution fees from customers. In 2016, we expect capital expenditures to increase to approximately $300 million and capitalized implementation costs to increase to approximately $95 million. We expect the capitalized implementation costs to be substantially offset by upfront solution fees, ranging from $60 million to $80 million, paid to us by our customers.

Senior Secured Credit Facilities

On February 19, 2013, Sabre GLBL entered into an agreement that amended and restated its senior secured credit facilities (the "Amended and Restated Credit Agreement"). The agreement replaced (i) the existing term loans with new classes of term loans of $1,775 million (the "Term Loan B") and $425 million (the "Term Loan C") and (ii) the existing revolving credit facility with a new revolving credit facility of $352 million (the "Revolver"). Term Loan B matures on February 19, 2019 and amortizes in equal quarterly installments of 0.25%. Term Loan C matures on December 31, 2017. As a result of a $296 million prepayment made in April 2014, quarterly principal payments on Term Loan C are no longer required. We are obligated to pay $17 million on September 30, 2017 and the remaining balance of $32 million on December 31, 2017. A portion of the Revolver matures on February 19, 2018. On September 30, 2013, Sabre GLBL entered into an agreement to amend its amended and restated credit agreement to add a new class of term loans in the amount of $350 million (the "Incremental Term Loan Facility"). We used the proceeds of the Incremental Term Loan Facility for working capital, general corporate purposes and strategic actions related to Travelocity. The Incremental Term Loan Facility matures on February 19, 2019 and amortizes in equal quarterly installments of 0.25% which commenced on the last business day of December 2013. We are scheduled to make $21 million in principal payments on our senior secured credit facilities over the next twelve months. On February 20, 2014, we entered into a series of amendments to our Amended and Restated Credit Agreement ("Repricing Amendments") to, among other things, (i) reduce the interest rate margin applicable to the Term Loan B to (x) between 3.00% to 3.25% per annum for Eurocurrency rate loans and (y) between 2.00% to 2.25% per annum for base rate loans and (ii) reduce the Eurocurrency rate floor to 1.00% and the base rate floor to 2.00%. In addition, the Repricing Amendments extended the maturity date of $317 million of the Revolver to February 19, 2019 and (ii) provided for a revolving commitment increase of $53 million under the extended portion of the Revolver, increasing total commitments under the Revolver to $405 million. The extended portion of the Revolver includes an accelerated maturity of November 19, 2018 if on November 19, 2018, the Term Loan B (or permitted refinancings thereof) remains outstanding with a maturity date occurring less than one year after the maturity date of the extended portion of the Revolver.

Under the Amended and Restated Credit Agreement, the loan parties are subject to certain customary non-financial covenants, including certain restrictions on incurring certain types of indebtedness, creation of liens on certain assets, making of certain investments, and payment of dividends, as well as a maximum senior secured leverage ratio, which applies if our revolver utilization exceeds certain thresholds. This ratio is calculated as senior secured debt (net of cash) to EBITDA, as defined by the credit agreement. This ratio was 5.0 to 1.0 for 2014 and is 4.5 to 1.0 for 2015. The definition of EBITDA is based on a trailing twelve months EBITDA adjusted for certain items including non-recurring expenses and the pro forma impact of cost saving initiatives.

We are also required to pay down the term loans by an amount equal to 50% of annual excess cash flow, as defined in the Amended and Restated Credit Agreement. No excess cash flow payment is required in 2016 with respect to our results for the year ended December 31, 2015. This percentage requirement may decrease or be eliminated if certain leverage ratios are achieved. We are further required to pay down the term loan with proceeds from certain asset sales or borrowings as defined in the Amended and Restated Credit Agreement.

Tax Receivable Agreement

Immediately prior to the closing of our initial public offering, we entered into the TRA that provides the right to receive future payments by us to stockholders and equity award holders that were our stockholders and equity award holders, respectively, immediately prior to the closing of our initial public offering (collectively, the "Pre-IPO Existing Stockholders"). The future payments will equal 85% of the amount of cash savings, if any, in U.S. federal income tax that we and our subsidiaries realize as a result of the utilization of certain tax assets attributable to periods prior to our initial public offering, including federal net operating losses ("NOLs"), capital losses and the ability to realize tax amortization of certain intangible assets (collectively, the "Pre-IPO Tax Assets"). Based on current tax laws and assuming that we and our subsidiaries earn sufficient taxable income to realize the full tax benefits subject to the TRA, we estimate that future payments under the TRA relating to Pre-IPO Tax Assets will total $387 million and will be made over the next five years. We do not expect material payments to occur before 2017. The estimate of future payments considers the impact of Section 382 of the Internal Revenue Code which imposes an annual limit on the ability of a corporation that undergoes an ownership change to use its net operating loss carryforwards to reduce its liability. We do not anticipate any material limitations on our ability to utilize NOLs under Section 382 of the Code.

These payment obligations are our obligations and not obligations of any of our subsidiaries. The actual utilization of the Pre-IPO Tax Assets, as well as the timing of any payments under the TRA, will vary depending upon a number of factors, including the amount, character and timing of our and our subsidiaries' taxable income in the future. See Note 7, Income Taxes, to our consolidated financial statements for additional information regarding income taxes and the TRA.

In addition, the TRA provides that upon certain mergers, stock and asset sales, other forms of business combinations or other changes of control, the TRA will terminate and we will be required to make a payment intended to equal to the present value of future payments under the TRA, which payment would be based on certain assumptions, including those relating to our and our subsidiaries' future taxable income. In these situations, our obligations under the TRA could have a substantial negative impact on our liquidity and could have the effect of delaying, deferring or preventing certain mergers, asset sales, other forms of business combinations or other changes of control. Different timing rules will apply to payments under the TRA to be made to holders that, prior to the completion of the initial public offering, held stock options and restricted stock units (collectively, the "Pre-IPO Award Holders"). These payments will generally be deemed invested in a notional account rather than made on the scheduled payment dates, and the account will be distributed on the fifth anniversary of the initial public offering, together with (a) interest accrued on these payments from the scheduled payment date to the distribution date, and (b) an amount equal to the net present value of the Award Holder's future expected payments, if any, under the TRA. Moreover, payments to holders of stock options that were unvested prior to the completion of the initial public offering are subject to vesting on the same schedule as such holder's unvested stock options.

The TRA contains a Change of Control definition that includes, among other things, a change of a majority of the Board of Directors without approval of a majority of the then existing Board members (the "Continuing Directors Provision"). Recent Delaware case law has stressed that such Continuing Directors Provisions could have a potential adverse impact on stockholders' right to elect a company's directors. In this regard, decisions of the Delaware Chancery Court (not involving us or our securities) have considered change of control provisions and noted that a board of directors may "approve" a dissident stockholders' nominees solely to avoid triggering the change of control provisions, without supporting their election, if the board determines in good faith that the election of the dissident nominees would not be materially adverse to the interests of the corporation or its stockholders. Further, according to these decisions, the directors' duty of loyalty to stockholders under Delaware law may, in certain circumstances, require them to give such approval.

Our counterparties under the TRA will not reimburse us for any payments previously made under the TRA if such benefits are subsequently disallowed (although future payments would be adjusted to the extent possible to reflect the result of such disallowance). As a result, in certain circumstances, payments could be made under the TRA in excess of our cash tax savings. Certain transactions by the company could cause it to recognize taxable income (possibly material amounts of income) without a current receipt of cash. Payments under the TRA with respect to such taxable income would cause a net reduction in our available cash. For example, transactions giving rise to cancellation of debt income, the accrual of income from original issue discount or deferred payments, a "triggering event" requiring the recapture of dual consolidated losses, or "Subpart F" income would each produce income with no corresponding increase in cash. In these cases, we may use some of the Pre-IPO Tax Assets to offset income from these transactions and, under the TRA, would be required to make a payment to our Pre-IPO Existing Stockholders even though we receive no cash from such income.

Because Sabre Corporation, on an unconsolidated basis, is a holding company with no operations of its own, its ability to make payments under the TRA is dependent on the ability of its subsidiaries to make distributions to Sabre Corporation. To the extent that we are unable to make payments under the TRA for specified reasons, such payments will be deferred and will accrue interest at a rate of the London Interbank Offered Rate ("LIBOR") plus 1.00% per annum until paid. The TRA is designed with the objective of causing our annual cash costs attributable to federal income taxes (without regard to our continuing 15% interest in the Pre-IPO Tax Assets) to be the same as we would have paid had we not had the Pre-IPO Tax Assets available to offset our federal taxable income. As a result, stockholders who are not Pre-IPO Existing Stockholders will not be entitled to the economic benefit of the Pre-IPO Tax Assets that would have been available if the TRA were not in effect (except to the extent of our continuing 15% interest in the Pre-IPO Tax Assets).

Cash Flows

Operating Activities

Cash provided by operating activities for the year ended December 31, 2015 was $529 million and consisted of net income from continuing operations of $235 million, adjustments for non-cash and other items of $455 million and a decrease in cash from changes in operating assets and liabilities of $160 million. The adjustments for non-cash and other items consist primarily of $351 million of depreciation and amortization, $97 million of deferred taxes, $44 million of amortization of upfront incentive consideration, $39 million loss on extinguishment of debt, $30 million of stock-based compensation and a $29 million dividend received from AIPL prior to the acquisition; partially offset by the $78 million gain on the remeasurement of our previously-held interest in Abacus and $61 million of litigation-related credits. The decrease in cash from changes in operating assets and liabilities was primarily the result of a $67 million increase in other assets, mainly driven by deferred customer discounts, $64 million used for upfront incentive consideration and $63 million used for capitalized implementation costs; partially offset by an increase in accrued compensation and related benefits of $18 million and a decrease in accounts and other receivables of $11 million.

Cash provided by operating activities for the year ended December 31, 2014 was $388 million and consisted of net income from continuing operations of $111 million, adjustments for non-cash and other items of $359 million and a decrease in cash from changes in operating assets and liabilities of $82 million. The adjustments for non-cash and other items consist primarily of $290 million of depreciation and amortization, $45 million in amortization of upfront incentive consideration, $34 million loss on extinguishment of debt and $20 million of stock-based compensation expense; partially offset by $42 million of litigation related credits and $12 million of joint venture equity income. The decrease in cash from changes in operating assets and liabilities was primarily the result of a $79 million increase in other assets primarily due to a $50 million payment made to American Airlines in conjunction with the new Airline Solutions contract, $51 million used for upfront incentive consideration, and $38 million used for capitalized implementation costs, partially offset by a $52 million increase in accounts payable and other accrued liabilities and a $39 million increase in deferred revenue.

Cash provided by operating activities for the year ended December 31, 2013 was $228 million and consisted of net income from continuing operations of $52 million, adjustments for non-cash and other items of $381 million and a decrease in cash from changes in operating assets and liabilities of $205 million. The adjustments for non-cash and other items consist primarily of $287 million of depreciation and amortization, $37 million in amortization of upfront incentive consideration, $26 million loss on extinguishment of debt and debt modification costs, and $14 million of deferred taxes, partially offset by $12 million of joint venture equity income. The decrease in cash from changes in operating assets and liabilities was primarily the result of $59 million used for capitalized implementation costs, a $57 million increase in other assets, $49 million used for upfront incentive consideration, $23 million increase in accounts receivable, a $18 million decrease in accounts payable and accrued liabilities due to a $100 million litigation settlement payment which was partially offset by an increase in other accrued liabilities.

Investing Activities

For the year ended December 31, 2015, we used cash of $442 million to acquire Abacus and $287 million on capital expenditures, which includes $233 million related to software developed for internal use.

For the year ended December 31, 2014, we used cash of $227 million on capital expenditures, which includes $171 million related to software developed for internal use, and we paid $32 million related to the acquisition of Genares Worldwide Reservations Services, Ltd., a solutions provider to the hospitality industry.

For the year ended December 31, 2013, we used cash of $210 million on capital expenditures, which includes $178 million related to software developed for internal use, and we paid $27 million in holdback payments related to the PRISM acquisition completed in 2012.

Financing Activities

For the year ended December 31, 2015, cash provided from financing activities totaled $93 million. Significant highlights of our financing activities included:

- in April 2015, we issued $530 million of our 5.375% senior secured notes due in 2023 and used the net proceeds of $522 million to redeem all of the $480 million principal of our senior secured notes due 2019, pay a $31 million redemption premium and $2 million make-whole premium;
- in November 2015, we issued $500 million of 5.25% senior secured notes due 2023 and used the net proceeds of $494 million to repay $235 million of the $400 million senior secured notes due 2016, pay a $5 million make-whole premium and repurchase 3,400,000 shares of our common stock totaling $99 million;
- we paid down $21 million of the term loan outstanding as part of quarterly principal repayments;
- we paid $99 million in dividends on our common stock; and
- received net proceeds of $47 million from the settlement of stock-based awards.

For the year ended December 31, 2014, we used $72 million for financing activities. Significant highlights of our financing activities included:

- we entered into the Repricing Amendments which resulted in proceeds of $148 million from new lenders which were utilized to repay prior lenders. There was no net change in our outstanding indebtedness as a result of the Repricing Amendments;
- we raised $672 million net proceeds from our initial public offering and utilized the net proceeds to repay $296 million aggregate principal amount of our Term Loan C and $320 million aggregate principal amount of our 2019 Notes;
- we paid down $37 million of the term loan outstanding as part of quarterly principal repayments;

- we paid $30 million in debt-related costs including a $27 million prepayment fee on our 2019 Notes;
- we paid $27 million in contingent consideration associated with our acquisition of PRISM in 2012; and
- we paid $48 million in dividends on our common stock.

For the year ended December 31, 2013, we had a $262 million cash inflow from financing activities. Significant highlights of our financing activities included:

- we raised $2,190 million through the issuance of the Term B Facility and Term C Facility loans;
- we raised $350 million through the issuance of the Incremental Term Facility;
- we utilized $2,178 million of the Term B Facility and Term C Facility proceeds to pay down the initial, extended and incremental term loans;
- we incurred $19 million in debt issuance and third-party debt modification costs; and
- we paid down $82 million of the term loan outstanding as part of quarterly mandatory prepayments.

Discontinued Travelocity Business

Cash flows provided by (used in) discontinued operating activities was less than $1 million, $(206) million and $(85) million for the years ended December 31, 2015, 2014 and 2013, respectively. Cash flows provided by discontinued operations for the year ended December 31, 2015 was primarily the result of a $30 million refund received from the State of Hawaii associated with a favorable ruling in hotel occupancy tax litigation, offset by cash used to wind down the discontinued business. The increase in cash flows used by discontinued operating activities in the year ended December 31, 2014 compared to 2013 was primarily due to paying down operating liabilities, mainly associated with travel supplier liabilities, partially offset by a decrease in accounts receivable.

Cash flows provided by discontinued investing activities for the year ended December 31, 2015 totaled $279 million which consisted of $280 million in proceeds from the sale of Travelocity.com, partially offset by $1 million in capital expenditures associated with lastminute.com prior to its sale.

As a result of our completed divestiture of the Travelocity segment, we do not expect our discontinued operations to have material ongoing liquidity requirements. See Note 16, Commitments and Contingencies, regarding litigation and other contingencies associated with our discontinued Travelocity segment.

Contractual Obligations

As of December 31, 2015, our contractual obligations were as follows (in thousands):

	Payments Due by Period						
	2016	2017	2018	2019	2020	Thereafter	Total
Total debt[1]	$ 339,059	$ 224,011	$ 179,388	$ 2,068,470	$ 55,732	$ 1,179,969	$ 4,046,629
Headquarters mortgage[2]	5,984	80,895	—	—	—	—	86,879
Operating lease obligations[3]	21,120	19,204	16,209	12,821	10,331	40,582	120,267
IT outsourcing agreement[4]	221,653	160,790	152,014	140,522	132,584	221,402	1,028,965
Purchase orders[5]	236,807	10,106	621	21	—	—	247,555
Letters of credit[6]	23,570	847	—	143	—	—	24,560
Unrecognized tax benefits[7]	—	—	—	—	—	—	85,799
Tax Receivable Agreement[8]	—	—	—	—	—	—	387,342
Total contractual cash obligations[9]	$ 848,193	$ 495,853	$ 348,232	$ 2,221,977	$ 198,647	$ 1,441,953	$ 6,027,996

(1) Includes all interest and principal of borrowings under our senior secured credit facilities, senior unsecured notes due 2016, senior secured notes due 2023 and capital lease obligations. Under certain circumstances, we are required to pay a percentage of the excess cash flow, if any, generated each year to our lenders which obligation is not reflected in the table above. Interest on the term loan is based on the LIBOR rate plus a base margin and includes the effect of interest rate swaps. For purposes of this table, we have used projected LIBOR rates for all future periods. See Note 8, Debt, to our consolidated financial statements.

(2) Includes all interest and principal related to our mortgage facility, which matures on April 1, 2017. See Note 8, Debt, to our consolidated financial statements.

(3) We lease approximately one million square feet of office space in 108 locations in 54 countries. Lease payment escalations are based on fixed annual increases, local consumer price index changes or market rental reviews. We have renewal options of various term lengths at 48 locations, and we have no purchase options and no restrictions imposed by our leases concerning dividends or additional debt.

(4) Represents minimum amounts due to HPE under the terms of an outsourcing agreement through which HPE manages a significant portion of our information technology systems. Actual payments may vary significantly from the minimum amounts presented.
(5) Purchase obligations represent an estimate of all open purchase orders and contractual obligations in the ordinary course of business for which we have not received the goods or services as of December 31, 2015. Although open purchase orders are considered enforceable and legally binding, the terms generally allow us the option to cancel, reschedule and adjust our requirements based on our business needs prior to the delivery of goods or performance of services.
(6) Our letters of credit consist of stand-by letters of credit, underwritten by a group of lenders, which we primarily issue for certain regulatory purposes as well as to certain hotel properties to secure our payment for hotel room transactions. The contractual expiration dates of these letters of credit are shown in the table above. There were no claims made against any stand-by letters of credit during the years ended December 31, 2015, 2014 and 2013.
(7) Unrecognized tax benefits include associated interest and penalties. The timing of related cash payments for substantially all of these liabilities is inherently uncertain because the ultimate amount and timing of such liabilities is affected by factors which are variable and outside our control.
(8) The timing of future payments under the TRA is uncertain and dependent on the timing of the realization of taxable income. We expect to make the total required payments over the next five years with no material payments to occur before 2017. See Note 7, Income Taxes, to our consolidated financial statements and "—Tax Receivable Agreement."
(9) Excludes pension obligations, see Note 14, Pension and Other Postretirement Benefit Plans, to our consolidated financial statements.

Off Balance Sheet Arrangements

We had no off balance sheet arrangements during the years ended December 31, 2015, 2014 and 2013.

Recent Accounting Pronouncements

In November 2015, Financial Accounting Standards Board ("FASB") issued an updated guidance to simplify the presentation of deferred income taxes. The updated guidance requires the deferred tax liabilities and assets to be classified as noncurrent in a classified statement of financial position. The amendments in this update may be applied either prospectively to all deferred tax liabilities and assets or retrospectively to all periods presented. For public business entities, the updated guidance is effective for financial statements issued for annual periods beginning after December 15, 2016, and interim periods within those annual periods. Early adoption for all entities is permitted. We early adopted this guidance with a retrospective approach during the fourth quarter of 2015.

In September 2015, FASB issued an updated guidance that eliminates the requirement for an acquirer in a business combination to restate prior period financial statements for measurement-period adjustments. Under the updated guidance, acquirers must recognize measurement-period adjustments in the period in which they determine the amounts, including the effect on earnings of any amounts they would have recorded in previous periods if the accounting had been completed at the acquisition date. The nature and the amount of measurement-period adjustments must be disclosed on the face of the income statement or in the notes to the financial statements. The updated guidance is effective for public business entities for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Early adoption is permitted for any interim and annual financial statements that have not yet been issued. We early adopted this guidance in the third quarter of 2015.

In May 2014, the FASB issued a comprehensive update to revenue recognition guidance that will replace current standards. Under the updated standard, revenue is recognized when a company transfers promised goods or services to customers in an amount that reflects the consideration that is expected to be received for those goods and services. The updated standard also requires additional disclosures on the nature, timing, and uncertainty of revenue and related cash flows. On July 9, 2015, the FASB approved to defer the effective date of the new standard which is now effective for annual and interim reporting periods beginning after December 15, 2017. Early adoption of the new standard is permitted for annual and interim reporting periods beginning after December 15, 2016. We are currently evaluating our method of adoption and the impact this standard will have on our consolidated financial statements.

In April 2015, FASB issued updated guidance that requires debt issuance costs related to a recognized debt liability to be presented in the balance sheet as a direct reduction from the debt liability rather than as an asset. The standard aligns GAAP guidance on the balance sheet presentation of debt issuance costs with International Financial Reporting Standards. The guidance is effective for interim and annual periods beginning after December 15, 2015 with early adoption permitted. We early adopted this guidance with a retrospective approach during the fourth quarter of 2015.

In April 2015, FASB issued new guidance on a customer's accounting for fees paid in a cloud computing arrangement. Prior to this standard, there was no specific guidance under GAAP on accounting for these fees from the customer's perspective. Under the new standard, customers will apply the same criteria as vendors to determine whether a cloud computing agreement contains a software license or is solely a service contract. The new standard is effective for public companies for annual periods,

including interim periods, beginning after December 15, 2015. Early adoption is permitted. We do not believe that our adoption will have a material impact on our consolidated financial statements.

In June 2014, the FASB issued final guidance that a performance target in a share-based payment that affects vesting and that could be achieved after the requisite service period should be accounted for as a performance condition. The guidance was issued to resolve diversity in practice. The standard is effective for annual and interim reporting periods beginning after December 15, 2015. We do not believe that our adoption will have a material impact on our consolidated financial statements.

Critical Accounting Estimates

This discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect our reported assets and liabilities, revenues and expenses and other financial information. Actual results may differ significantly from these estimates, and our reported financial condition and results of operations could vary under different assumptions and conditions. In addition, our reported financial condition and results of operations could vary due to a change in the application of a particular accounting standard.

Our accounting policies that include significant estimates and assumptions include: (i) estimation for revenue recognition and multiple-element arrangements, (ii) collectability of accounts receivable, (iii) amounts for future cancellations of bookings processed through our GDS, (iv) determination of the fair value of assets and liabilities acquired in a business combination, (v) the evaluation of the recoverability of the carrying value of long-lived assets and goodwill, (vi) assumptions utilized in the determination of pension benefit liabilities, and (vii) the evaluation of uncertainties surrounding the calculation of our tax assets and liabilities. We regard an accounting estimate underlying our financial statements as a “critical accounting estimate” if the accounting estimate requires us to make assumptions about matters that are uncertain at the time of estimation and if changes in the estimate are reasonably likely to occur and could have a material effect on the presentation of financial condition, changes in financial condition, or results of operations.

We have included below a discussion of the accounting policies involving material estimates and assumptions that we believe are most critical to the preparation of our financial statements, how we apply such policies and how results differing from our estimates and assumptions would affect the amounts presented in our financial statements. We have discussed the development, selection and disclosure of these accounting policies with our Audit Committee. Although we believe these policies to be the most critical, other accounting policies also have a significant effect on our financial statements and certain of these policies also require the use of estimates and assumptions. For further information about our significant accounting policies, see Note 1, Summary of Business and Significant Accounting Policies, to our consolidated financial statements.

Revenue Recognition and Multiple-Element Arrangements

Our agreements with customers of our Airline and Hospitality Solutions business may have multiple deliverables which generally include software solutions through SaaS and hosted delivery, consulting services and implementation services. In addition, from time to time, we enter into agreements with customers to provide access to Travel Network’s GDS and, at or near the same time, enter into a separate agreement to provide software solutions through SaaS and hosted delivery. Due to these multiple-element arrangements, revenue recognition involves judgment, including estimates of the selling prices of goods and services, assessments of the likelihood of nonpayment and estimates of total costs and costs to complete a project.

The consulting and implementation services are generally performed in the early stages of the agreements. Access to our GDS is provided over the full term of the contract. Software solutions through SaaS and hosted delivery are often not provided until implementation services are completed. We evaluate revenue recognition for agreements with customers which generally are represented by individual contracts but could include groups of contracts if the contracts are executed at or near the same time. Typically, access to our GDS and our consulting services are separated from the implementation and software hosting services. We account for separable elements on an individual basis with value assigned to each element based on its relative selling price. A comprehensive market analysis is performed on a periodic basis to determine the range of selling prices for each product and service. In making these judgments we analyze various factors, including competitive landscapes, value differentiators, continuous monitoring of market prices, customer segmentation and overall market and economic conditions. Based on these results, estimated selling prices are set for each product and service delivered to customers. Changes in judgments related to these items, or deterioration in industry or general economic conditions, could materially impact the timing and amount of revenue and costs recognized. Revenue for consulting services is generally recognized as the services are performed and revenue for implementation services, access to our GDS and SaaS and hosted services is generally recognized on a transaction basis over the term of the agreement.

Accounts Receivable and Air Booking Cancellation Reserve

We evaluate the collectability of our accounts receivable based on a combination of factors. In circumstances where we are aware of a specific customer's inability to meet its financial obligations to us (e.g., bankruptcy filings, failure to pay amounts due to us or others), we record a specific reserve for bad debts against amounts due to reduce the net recorded receivable to the amount we reasonably believe will be collected. For all other customers, we record reserves for bad debts based on past write-off history (average percentage of receivables written off historically) and the length of time the receivables are past due.

Transaction revenue for airline travel reservations is recognized by Travel Network at the time of the booking of the reservation, net of estimated future cancellations. Cancellations prior to the day of departure are estimated based on the historical level of cancellation rates, adjusted to take into account any recent factors which could cause a change in those rates. In circumstances where expected cancellation rates or booking behavior changes, our estimates are revised, and in these circumstances, future cancellation rates could vary materially, with a corresponding variation in revenue net of estimated future cancellations. Factors that could have a significant effect on our estimates include global security issues, epidemics or pandemics, natural disasters, general economic conditions, the financial condition of travel suppliers, and travel related accidents.

Business Combinations

Authoritative guidance for business combinations requires us to recognize separately from goodwill the assets acquired and the liabilities assumed at their acquisition date fair values. Goodwill as of the acquisition date is measured as the excess of consideration transferred over the net of the acquisition date fair values of the assets acquired and the liabilities assumed. While we use our best estimates and assumptions to accurately value assets acquired and liabilities assumed at the acquisition date as well as contingent consideration, where applicable, our estimates are inherently uncertain and, as a result, actual results may differ from estimates.

Accounting for business combinations requires our management to make significant estimates and assumptions, especially at the acquisition date including our estimates for intangible assets, contractual obligations assumed, pre-acquisition contingencies, contingent consideration, where applicable and previously-held investment interests. Although we believe the assumptions and estimates we have made in the past have been reasonable and appropriate, they are based in part on historical experience and information obtained from the management of the acquired companies and are inherently uncertain.

Examples of critical estimates in valuing certain of the intangible assets we have acquired include, but are not limited to: future expected cash flows, support agreements, consulting contracts, other customer contracts, acquired developed technologies and patents; the acquired company's brand and competitive position, as well as assumptions about the period of time the acquired brand will continue to be used in the combined company's product portfolio; and discount rates. Unanticipated events and circumstances may occur that may affect the accuracy or validity of such assumptions, estimates or actual results.

For a given acquisition, we may identify certain pre-acquisition contingencies as of the acquisition date and may extend our review and evaluation of these pre-acquisition contingencies throughout the measurement period in order to obtain sufficient information to assess whether we include these contingencies as a part of the fair value estimates of assets acquired and liabilities assumed and, if so, to determine their estimated amounts. If we cannot reasonably determine the fair value of a pre-acquisition contingency (non-income tax related) by the end of the measurement period, which is generally the case given the nature of such matters, we will recognize an asset or a liability for such pre-acquisition contingency if: (i) it is probable that an asset existed or a liability had been incurred at the acquisition date and (ii) the amount of the asset or liability can be reasonably estimated. Subsequent to the measurement period, changes in our estimates of such contingencies will affect earnings and could have a material effect on our results of operations and financial position.

Depending on the circumstances, the fair value of contingent consideration is determined based on management's best estimate of fair value given the specific facts and circumstances of the contractual arrangement, considering the likelihood of payment, payment terms and management's best estimates of future performance results on the acquisition date, if applicable.

In addition, uncertain tax positions and tax related valuation allowances assumed in connection with a business combination are initially estimated as of the acquisition date. We reevaluate these items quarterly based upon facts and circumstances that existed as of the acquisition date with any adjustments to our preliminary estimates being recorded to goodwill if identified within the measurement period. Subsequent to the measurement period or our final determination of the tax allowance's or contingency's estimated value, whichever comes first, changes to these uncertain tax positions and tax-related valuation allowances will affect our provision for income taxes in our consolidated statement of operations and could have a material impact on our results of operations and financial position.

Goodwill and Long-Lived Assets

We evaluate goodwill for impairment on an annual basis or when impairment indicators exist. We begin our evaluation with a qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying value before applying the two-step goodwill impairment model described below. If it is determined through the qualitative assessment that a reporting unit's fair value is more likely than not greater than its carrying value, the remaining impairment steps are unnecessary. Otherwise, we perform a comparison of the estimated fair value of the reporting unit to which the goodwill has been assigned to the sum of the carrying value of the assets and liabilities of that unit. If the sum of the carrying value of the assets and liabilities of a reporting unit exceeds the estimated fair value of that reporting unit, the carrying value of the reporting unit's goodwill is reduced to its implied fair value through an adjustment to the goodwill balance, resulting in an impairment charge. Goodwill was assigned to each reporting unit based on that reporting unit's percentage of enterprise value as of the date of the acquisition of Sabre Corporation by TPG and Silver Lake plus goodwill associated with acquisitions since that time. We have three reporting units associated with our continuing operations: Travel Network, Airline Solutions and Hospitality Solutions. In addition, we had two reporting units associated with our discontinued operations: Travelocity—North America and Travelocity—Europe.

The fair values used in our evaluation are estimated using a combined approach based upon discounted future cash flow projections and observed market multiples for comparable businesses. The cash flow projections are based upon a number of assumptions, including risk-adjusted discount rates, future booking and transaction volume levels, future price levels, rates of growth in our consumer and corporate direct booking businesses and rates of increase in operating expenses, cost of revenue and taxes. Additionally, in accordance with authoritative guidance on fair value measurements, we made a number of assumptions, including assumptions related to market participants, the principal markets and highest and best use of the reporting units. We did not record any goodwill impairment charges for the year ended December 31, 2015 and 2014. We recorded $136 million in goodwill impairment charges related to our discontinued Travelocity segment for the years ended December 31, 2013, which are included in net (loss) income from discontinued operations in our consolidated statements of operations. Goodwill related to our other reporting units totaled $2,440 million as of December 31, 2015. Changes in the assumptions used in our impairment testing may result in future impairment losses which could have a material impact on our results of operations. A change of 10% in the future cash flow projections, risk-adjusted discount rates, and rates of growth used in our fair value calculations would not result in impairment of the remaining goodwill for any of our reporting units.

Definite-lived intangible assets are assigned depreciable lives of four to thirty years, depending on classification, and are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of definite-lived intangible assets used in combination to generate cash flows largely independent of other assets may not be recoverable. If impairment indicators exist for definite-lived intangible assets, the undiscounted future cash flows associated with the expected service potential of the assets are compared to the carrying value of the assets. If our projection of undiscounted future cash flows is in excess of the carrying value of the intangible assets, no impairment charge is recorded. If our projection of undiscounted cash flows is less than the carrying value, the intangible assets are then measured at fair value and an impairment charge is recorded based on the excess of the carrying value of the assets over its fair value. We also evaluate the need for additional impairment disclosures based on our Level 3 inputs. For fair value measurements categorized within Level 3 of the fair value hierarchy, we disclose the valuation processes used by the reporting entity. We did not record material intangible asset impairment charges for the years ended December 31, 2015, 2014 and 2013.

The most significant assumptions used in the discounted cash flows calculation to determine the fair value of our reporting units in connection with impairment testing include: (i) the discount rate, (ii) the expected long-term growth rate and (iii) annual cash flow projections. See Note 10, Fair Value Measurements, to our consolidated financial statements.

Pension Benefits

We sponsor the Sabre Inc. Legacy Pension Plan ("LPP"), which is a tax-qualified defined benefit pension plan for employees meeting certain eligibility requirements. The LPP was amended to freeze pension benefit accruals as of December 31, 2005, so that no additional pension benefits are accrued after that date. Pension benefits for the LPP are actuarially determined and affected by assumptions which include, among other factors, the discount rate and the estimated future return on plan assets. In conjunction with outside actuaries, we evaluate the assumptions on a periodic basis and make adjustments as necessary.

The discount rate used in the measurement of the LPP benefit obligation as of December 31, 2015 and 2014 is as follows:

	December 31,	
	2015	2014
Weighted-average discount rate	4.86%	4.36%

The LPP plan is valued annually as of the beginning of each fiscal year. The principal assumptions used in the measurement of our net benefit costs for the three years ended December 31, 2015, 2014 and 2013 are as follows:

	Year Ended December 31,		
	2015	2014	2013
Discount rate	4.36%	5.10%	4.19%
Expected return on plan assets	6.50%	7.50%	7.75%

Our discount rate is determined based upon the review of year-end high quality corporate bond rates. Lowering the discount rate by 50 bps as of December 31, 2015 would increase our pension benefit obligation by approximately $22 million and would not materially impact our 2016 pension benefit expenses.

The expected return on plan assets is based upon an evaluation of our historical trends and experience taking into account current and expected market conditions and our target asset allocation of 38% global equities, 58% long duration fixed income, and 4% real estate. The expected return on plan assets component of our net periodic benefit cost is calculated based on the fair value of plan assets and our target asset allocation. We monitor our actual asset allocation and believe that our long-term asset allocation will continue to approximate the target allocation. Lowering the expected long-term rate of return on plan assets by 50 bps as of December 31, 2015 would not materially impact our 2016 pension expense.

Income and Non-Income Taxes

We recognize deferred tax assets and liabilities based on the temporary differences between the financial statement carrying amounts and the tax bases of assets and liabilities. We regularly review deferred tax assets by jurisdiction to assess their potential realization and establish a valuation allowance for portions of such assets that we believe will not be ultimately realized. In performing this review, we make estimates and assumptions regarding projected future taxable income, the expected timing of the reversals of existing temporary differences and the implementation of tax planning strategies. A change in these assumptions could cause an increase or decrease to the valuation allowance resulting in an increase or decrease in the effective tax rate, which could materially impact our results of operations. At year end, we had a valuation allowance on certain loss carryforwards based on our assessment that it is more likely than not that the deferred tax asset will not be realized. We believe that our estimates for the valuation allowances against deferred tax assets are appropriate based on current facts and circumstances.

We believe that it is more likely than not that the benefit from certain non-U.S. deferred tax assets will not be realized. As a result, we established and maintain a valuation allowance on the non-U.S. deferred tax assets of our lastminute.com subsidiaries of $81 million and $160 million as of December 31, 2015 and 2014, respectively. At December 31, 2014, as a result of the sale of our Travelocity business and the forecast of income from continuing operations, we determined it was more likely than not that future earnings will be sufficient to utilize certain U.S. deferred tax assets. Accordingly, we reversed the U.S. valuation allowance resulting in a non-cash income tax benefit of $82 million during the fourth quarter of 2014. We reassess these assumptions regularly, which could cause an increase or decrease to the valuation allowance resulting in an increase or decrease in the effective tax rate, and could materially impact our results of operations.

As of December 31, 2015, we had approximately $944 million of NOLs for U.S. federal income tax purposes. As a result of an ownership change during 2015 (as defined in Section 382 of the Internal Revenue Code which imposes an annual limit on the ability of a corporation to use certain tax attributes), all of the U.S. tax NOLs and credit carryforwards are subject to an annual limitation on their ability to be utilized. However, we expect that Section 382 will not limit our ability to fully realize the tax benefits. Approximately $885 million of these NOLs and capital losses are tax benefits subject to the TRA, which provides for the payment by us of 85% of the amount of cash savings, if any, in U.S. federal income tax that we and our subsidiaries are deemed to realize as a result of the utilization of tax benefits.

We operate in numerous countries where our income tax returns are subject to audit and adjustment by local tax authorities. Because we operate globally, the nature of the uncertain tax positions is often very complex and subject to change, and the amounts at issue can be substantial. It is inherently difficult and subjective to estimate such amounts, as we have to determine the probability of various possible outcomes. We re-evaluate uncertain tax positions on a quarterly basis. This evaluation is based on factors

including, but not limited to, changes in facts or circumstances, changes in tax law, effectively settled issues under audit, and new audit activity. At December 31, 2015 and 2014, we had a liability, including interest and penalty, of $86 million and $61 million, respectively, for unrecognized tax benefits, which would affect our effective tax rate if recognized. Such a change in recognition or measurement would result in the recognition of a tax benefit or an additional charge to the tax provision.

Occupancy Taxes

In recent years, various state and local governments in the United States have filed approximately 70 lawsuits against us and other OTAs pertaining primarily to whether our discontinued Travelocity segment and other OTAs owe sales or occupancy taxes on the revenues they earned from facilitating hotel reservations, where the customer paid us an amount at the time of booking that included (i) service fees, which we collected and retained, and (ii) the price of the hotel room and amounts for occupancy or other local taxes, which we passed along to the hotel supplier. In addition to the lawsuits, there are a number of administrative proceedings pending against us which could result in an assessment of sales or occupancy taxes on fees. Pursuant to the Travelocity Purchase Agreement, we will continue to be liable for pre-closing liabilities of Travelocity, including fees, charges, costs and settlements relating to litigation arising from hotels booked on the Travelocity platform prior to the Expedia SMA. Fees, charges, costs and settlements relating to litigation from hotels booked on Travelocity.com subsequent to the Expedia SMA and prior to the date of the sale of Travelocity.com to Expedia will be shared with Expedia in accordance with the terms that were in the Expedia SMA. We are jointly and severally liable for Travelocity's indemnification obligations under the Travelocity Purchase Agreement for liabilities that may arise out of these litigation matters, which could adversely affect our cash flow. See Part I, Item 3 "Legal Proceedings—Litigation and Administrative Audit Proceedings Relating to Hotel Occupancy Taxes."

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risk Management

Market risk is the potential loss from adverse changes in: (i) prevailing interest rates, (ii) foreign exchange rates, (iii) credit risk and (iv) inflation. Our exposure to market risk relates to interest payments due on our long-term debt, revolving credit facility, derivative instruments, income on cash and cash equivalents, accounts receivable and payable and travel supplier liabilities and related deferred revenue. We manage our exposure to these risks through established policies and procedures. We do not engage in trading, market making or other speculative activities in the derivatives markets. Our objective is to mitigate potential income statement, cash flow and fair value exposures resulting from possible future adverse fluctuations in interest and foreign exchange rates.

Interest Rate Risk

As of December 31, 2015, our exposure to interest rates relates primarily to our interest rate swaps, our senior secured debt and our borrowings on the revolving credit agreement. Offsetting some of this exposure is interest income received from our money market funds. The objectives of our investment in money market funds are (i) preservation of principal, (ii) liquidity and (iii) yield. If future short-term interest rates averaged 10% lower than they were during the year ended December 31, 2015, the impact to our interest income from money market funds would not be material. This amount was determined by applying the hypothetical interest rate change to our average money market funds invested.

In the fourth quarter of 2014, we entered into interest rate swaps that effectively convert $750 million of floating interest rate senior secured debt into a fixed rate obligation. The terms of the outstanding and matured interest rate swaps relevant to the years ended December 31, 2015 and 2014 were as follows:

	Notional Amount	Interest Rate Received	Interest Rate Paid	Effective Date	Maturity Date
Outstanding:	$750 million	1 month LIBOR	1.48%	December 31, 2015	December 30, 2016
	$750 million	1 month LIBOR	2.19%	December 30, 2016	December 29, 2017
	$750 million	1 month LIBOR	2.61%	December 29, 2017	December 31, 2018
Matured:	$400 million	1 month LIBOR	2.03%	July 29, 2011	September 30, 2014
	$350 million	1 month LIBOR	2.51%	April 30, 2012	September 30, 2014

Since outstanding balances under our senior secured credit facilities incur interest at rates based on LIBOR, subject to a 1.00% floor, increases in short-term interest rates would not impact our interest expense until LIBOR exceeded 1.00%. If our mix of interest rate-sensitive assets and liabilities changes significantly, we may enter into additional derivative transactions to manage our net interest rate exposure.

Foreign Currency Risk

We conduct various operations outside the United States, primarily in Asia Pacific, Europe and Latin America. Our foreign currency risk is primarily associated with operating expenses. During the year ended December 31, 2015, foreign currency operations included $178 million of revenue and $481 million of operating expenses, representing approximately 6% and 19% of our total revenue and operating expenses, respectively, including the impact of our Abacus acquisition on July 1, 2015. During the year ended December 31, 2014, foreign currency operations included $163 million of revenue and $419 million of operating expenses, representing approximately 6% and 20% of our total revenue and operating expenses, respectively.

The principal foreign currencies involved include the Euro, the Singapore Dollar, the British Pound Sterling, the Polish Zloty, the Indian Rupee and the Australian Dollar. Our most significant foreign currency denominated operating expenses is in the Euro, which comprised approximately 6% of our operating expenses for each of the years ended December 31, 2015 and 2014, respectively. In recent years, exchange rates between these currencies and the U.S. dollar have fluctuated significantly and may continue to do so in the future. During times of volatile currency movements, this risk can impact our earnings. To reduce the impact of this earnings volatility, we hedge our foreign currency exposure in our operating expenses by entering into foreign currency forward contracts on several of our largest exposures, including the Euro, the British Pound Sterling, the Polish Zloty, the Indian Rupee and the Australian Dollar. In 2015, we hedged approximately 31% of our exposure in foreign currency operating expenses. In addition, approximately 36% of our exposure in foreign currency operating expenses is naturally hedged by foreign currency cash receipts associated with foreign currency revenue. Beginning in the first quarter of 2016, we expect to hedge our foreign currency exposure in operating expenses denominated in Singapore Dollars by entering into foreign currency forward contracts.

The notional amounts of our forward contracts totaled $123 million at December 31, 2015. The forward contracts represent obligations to purchase foreign currencies at a predetermined exchange rate to fund a portion of our expenses that are denominated in foreign currencies. The fair value of these forward contracts recognized in our consolidated balance sheets was a $2 million and an $8 million liability as of December 31, 2015 and December 31, 2014, respectively.

We are also exposed to foreign currency fluctuations through the translation of the financial condition and results of operations of our foreign operations into U.S. dollars in consolidation. These gains and losses are recognized as a component of accumulated other comprehensive income (loss) and is included in stockholders' equity. Translation gains (losses) recognized as other comprehensive (loss) income were $(4) million, $8 million and $5 million for the years ended December 31, 2015, 2014 and 2013, respectively.

Credit Risk

Our customers are primarily located in the United States, Canada, Europe, Latin America and Asia, and are concentrated in the travel industry.

We generate a significant portion of our revenues and corresponding accounts receivable from services provided to the commercial air travel industry. As of December 31, 2015 and 2014, approximately $252 million or 72% and $204 million or 67%, respectively, of our trade accounts receivable was attributable to these customers, in each case excluding balances associated with our discontinued Travelocity segment. Our other accounts receivable are generally due from other participants in the travel and transportation industry. Substantially all of our accounts receivable represents trade balances. We generally do not require security or collateral from our customers as a condition of sale. See "Risk Factors—Our travel supplier customers may experience financial instability or consolidation, pursue cost reductions, change their distribution model or undergo other changes."

We regularly monitor the financial condition of the air transportation industry. We believe the credit risk related to the air carriers' difficulties is significantly mitigated by the fact that we collect a significant portion of the receivables from these carriers through the Airline Clearing House ("ACH") and other similar clearing houses.

As of December 31, 2015, 2014 and 2013, approximately 57%, 58%, and 57%, respectively, of our air customers make payments through the ACH which accounts for approximately 89%, 95% and 94%, respectively, of our air billings. ACH requires participants to deposit certain balances into their demand deposit accounts by certain deadlines, which facilitates a timely settlement process. For these carriers, we believe the use of ACH mitigates our credit risk with respect to airline bankruptcies. For those carriers from which we do not collect payments through the ACH or other similar clearing houses, our credit risk is higher. We monitor these carriers and account for the related credit risk through our normal reserve policies.

Inflation

Competitive market conditions and the general economic environment have minimized inflation's impact on our results of operations in recent periods. There can be no assurance, however, that our operating results will not be affected by inflation in the future.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Index to Financial Statements and Supplementary Data

Consolidated Financial Statements:

Financial Statement Schedules:

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of Sabre Corporation:

We have audited the accompanying consolidated balance sheets of Sabre Corporation as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income (loss), stockholders' equity (deficit), and cash flows for each of the three years in the period ended December 31, 2015. Our audits also included the financial statement schedule listed in the Index at Item 15. These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and the schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Sabre Corporation at December 31, 2015 and 2014, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2015, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

As discussed in Note 1 to the consolidated financial statements, the Company has adopted ASU 2015-17 Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Sabre Corporation's internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) and our report dated February 19, 2016 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Dallas, Texas
February 19, 2016

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of Sabre Corporation:

We have audited Sabre Corporation's internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) (the "COSO criteria"). Sabre Corporation's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting 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 company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As indicated in the accompanying Management's Report on Internal Control Over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Abacus, which is included in the 2015 consolidated financial statements of Sabre Corporation and constituted approximately 17% of total assets, as of December 31, 2015 and 6% and 2% of revenues and net income, respectively, for the year then ended. Our audit of internal control over financial reporting of Sabre Corporation also did not include an evaluation of the internal control over financial reporting of Abacus.

In our opinion, Sabre Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Sabre Corporation as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income (loss), stockholders' equity (deficit), and cash flows for each of the three years in the period ended December 31, 2015 and our report dated February 19, 2016 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Dallas, Texas
February 19, 2016

SABRE CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)

	Year Ended December 31,		
	2015	2014	2013
Revenue	$ 2,960,896	$ 2,631,417	$ 2,523,546
Cost of revenue [1] [2]	1,944,050	1,742,478	1,705,163
Selling, general and administrative [2]	557,077	467,594	437,453
Operating income	459,769	421,345	380,930
Other income (expense):			
Interest expense, net	(173,298)	(218,877)	(274,689)
Loss on extinguishment of debt	(38,783)	(33,538)	(12,181)
Joint venture equity income	14,842	12,082	12,350
Other, net	91,377	(63,860)	(305)
Total other expense, net	(105,862)	(304,193)	(274,825)
Income from continuing operations before income taxes	353,907	117,152	106,105
Provision for income taxes	119,352	6,279	54,039
Income from continuing operations	234,555	110,873	52,066
Income (loss) from discontinued operations, net of tax	314,408	(38,918)	(149,697)
Net income (loss)	548,963	71,955	(97,631)
Net income attributable to noncontrolling interests	3,481	2,732	2,863
Net income (loss) attributable to Sabre Corporation	545,482	69,223	(100,494)
Preferred stock dividends	—	11,381	36,704
Net income (loss) attributable to common stockholders	$ 545,482	$ 57,842	$ (137,198)
Basic net income (loss) per share attributable to common stockholders:			
Income from continuing operations	$ 0.85	$ 0.41	$ 0.07
Income (loss) from discontinued operations	1.15	(0.16)	(0.84)
Net income (loss) per common share	$ 2.00	$ 0.24	$ (0.77)
Diluted net income (loss) per share attributable to common stockholders:			
Income from continuing operations	$ 0.83	$ 0.39	$ 0.07
Income (loss) income from discontinued operations	1.12	(0.16)	(0.81)
Net income (loss) per common share	$ 1.95	$ 0.23	$ (0.74)
Weighted-average common shares outstanding:			
Basic	273,139	238,633	178,125
Diluted	280,067	246,747	184,978
Dividend per common share	$ 0.36	$ 0.18	$ —
(1) Includes amortization of upfront incentive consideration	$ 43,521	$ 45,358	$ 36,649
(2) Includes stock-based compensation as follows:			
Cost of revenue	$ 11,918	$ 8,044	$ 1,356
Selling, general and administrative	18,053	12,050	2,031

See Notes to Consolidated Financial Statements.

SABRE CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands)

	Year Ended December 31,		
	2015	2014	2013
Net income (loss)	$ 548,963	$ 71,955	$ (97,631)
Other comprehensive (loss) income, net of tax:			
Foreign currency translation adjustments ("CTA"):			
Foreign CTA (losses) gains, net of tax	(4,382)	7,794	4,954
Reclassification adjustment for realized (gains) losses on foreign CTA, net of taxes of $12,152, $0 and $0	(18,558)	—	8,162
Net change in foreign CTA gains (losses), net of tax	(22,940)	7,794	13,116
Retirement-related benefit plans:			
Net actuarial (loss) gain, net of taxes of $2,273, $16,296 and $(16,309)	(4,060)	(28,554)	28,869
Amortization of prior service credits, net of taxes of $516, $516 and $5,144	(915)	(916)	(8,636)
Amortization of actuarial losses, net of taxes of $(2,545), $(1,730) and $(1,288)	4,500	3,058	2,163
Total retirement-related benefit plans	(475)	(26,412)	22,396
Derivatives and available-for-sale securities:			
Unrealized gains (losses), net of taxes of $5,753, $2,604 and $(529)	(9,642)	(8,797)	3,000
Reclassification adjustment for realized losses, net of taxes of $(3,312), $(2,913) and $(5,351)	10,646	4,086	8,538
Net change in unrealized gains (losses) on derivatives, net of tax	1,004	(4,711)	11,538
Share of other comprehensive income of joint venture	(4,921)	3,421	(1,415)
Other comprehensive (loss) income	(27,332)	(19,908)	45,635
Comprehensive income (loss)	521,631	52,047	(51,996)
Less: Comprehensive income attributable to noncontrolling interests	(3,481)	(2,732)	(2,863)
Comprehensive income (loss) attributable to Sabre Corporation	$ 518,150	$ 49,315	$ (54,859)

See Notes to Consolidated Financial Statements.

SABRE CORPORATION
CONSOLIDATED BALANCE SHEETS
(In thousands, except share amounts)

	December 31,	
	2015	2014
Assets		
Current assets		
Cash and cash equivalents	$ 321,132	$ 155,679
Accounts receivable, net	375,789	362,911
Prepaid expenses and other current assets	81,167	64,734
Assets held for sale	—	112,558
Total current assets	778,088	695,882
Property and equipment, net	627,529	551,276
Investments in joint ventures	24,348	145,320
Goodwill	2,440,431	2,153,499
Acquired customer relationships, net	416,887	170,629
Other intangible assets, net	419,666	309,357
Deferred income taxes	44,464	131,971
Other assets, net	642,214	485,139
Total assets	$ 5,393,627	$ 4,643,073
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	$ 138,421	$ 117,855
Accrued compensation and related benefits	99,382	83,828
Accrued subscriber incentives	185,270	145,581
Deferred revenues	165,124	167,827
Litigation settlement liability and related deferred revenue	30,012	73,252
Other accrued liabilities	191,964	189,612
Current portion of debt	190,315	22,435
Liabilities held for sale	—	96,544
Total current liabilities	1,000,488	896,934
Deferred income taxes	83,562	8,037
Other noncurrent liabilities	656,093	613,710
Long-term debt	3,169,344	3,040,009
Commitments and contingencies (Note 16)		
Stockholders' equity		
Common Stock: $0.01 par value; 450,000,000 authorized shares; 279,082,473 and 268,237,547 shares issued; 274,955,830 and 267,800,161 shares outstanding at December 31, 2015 and 2014, respectively	2,790	2,682
Additional paid-in capital	2,016,325	1,931,796
Treasury stock, at cost, 4,126,643 and 437,386 shares at December 31, 2015 and 2014 respectively	(110,548)	(5,297)
Retained deficit	(1,328,730)	(1,775,616)
Accumulated other comprehensive loss	(97,135)	(69,803)
Noncontrolling interest	1,438	621
Total stockholders' equity	484,140	84,383
Total liabilities and stockholders' equity	$ 5,393,627	$ 4,643,073

See Notes to Consolidated Financial Statements.

SABRE CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,		
	2015	**2014**	**2013**
Operating Activities			
Net income (loss)	$ 548,963	$ 71,955	$ (97,631)
Adjustments to reconcile net income (loss) to cash provided by operating activities:			
Depreciation and amortization	351,480	289,630	287,038
Amortization of upfront incentive consideration	43,521	45,358	36,649
Litigation related (credits) charges	(60,998)	(41,672)	8,156
Stock-based compensation expense	29,971	20,094	3,387
Allowance for doubtful accounts	8,558	10,356	5,178
Deferred income taxes	97,225	(3,829)	13,941
Joint venture equity income	(14,842)	(12,082)	(12,350)
Dividends received from joint venture investments	28,700	2,261	10,560
Amortization of debt issuance costs	6,759	6,316	7,104
Debt modification costs	—	3,290	14,003
Gain on remeasurement of previously-held joint venture interest	(78,082)	—	—
Loss on extinguishment of debt	38,783	33,538	12,181
Other	3,556	6,023	(4,653)
Income (loss) from discontinued operations	(314,408)	38,918	149,697
Changes in operating assets and liabilities:			
Accounts and other receivables	10,662	(7,295)	(23,169)
Prepaid expenses and other current assets	(13,255)	6,948	(3,649)
Capitalized implementation costs	(63,382)	(37,811)	(58,814)
Upfront incentive consideration	(63,510)	(50,936)	(48,569)
Other assets	(66,873)	(78,873)	(56,663)
Accrued compensation and related benefits	18,268	(5,301)	9,372
Accounts payable and other accrued liabilities	8,721	52,128	(17,854)
Deferred revenue including upfront solution fees	9,390	38,643	(5,682)
Cash provided by operating activities	529,207	387,659	228,232
Investing Activities			
Additions to property and equipment	(286,697)	(227,227)	(209,523)
Acquisitions, net of cash acquired	(442,344)	(31,799)	(30,200)
Other investing activities	—	235	(276)
Cash used in investing activities	(729,041)	(258,791)	(239,999)
Financing Activities			
Proceeds of borrowings from lenders	1,252,000	148,307	2,540,063
Payments on borrowings from lenders	(960,807)	(802,664)	(2,261,061)
Debt prepayment fees and issuance costs	(52,674)	(30,490)	(19,116)
Acquisition-related contingent consideration paid	—	(27,000)	—
Proceeds from issuance of common stock in initial public offering, net	—	672,137	—
Net proceeds on the settlement of equity-based awards	47,414	13,809	2,054
Cash dividends paid to common stockholders	(98,596)	(47,904)	—
Repurchase of common stock	(98,770)	—	—
Other financing activities	4,577	1,860	232
Cash provided by (used in) by financing activities	93,144	(71,945)	262,172
Cash Flows from Discontinued Operations			
Net cash provided by (used in) operating activities	236	(205,988)	(85,140)
Net cash provided by (used in) investing activities	278,834	(1,965)	13,993
Net cash provided by (used in) discontinued operations	279,070	(207,953)	(71,147)
Effect of exchange rate changes on cash and cash equivalents	(6,927)	(1,527)	2,283
Increase (decrease) in cash and cash equivalents	165,453	(152,557)	181,541
Cash and cash equivalents at beginning of period	155,679	308,236	126,695
Cash and cash equivalents at end of period	$ 321,132	$ 155,679	$ 308,236
Cash payments for income taxes	$ 27,816	$ 47,545	$ 4,224
Cash payments for interest	$ 154,307	$ 197,782	$ 255,620
Capitalized interest	$ 11,981	$ 13,412	$ 10,966
Preferred shares dividend	$ —	$ 11,381	$ 36,704

See Notes to Consolidated Financial Statements.

SABRE CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
(In thousands, except share data)

	Temporary Equity		Stockholders' Equity (Deficit)								
	Series A Redeemable Preferred Stock		Common Stock		Additional Paid in Capital	Treasury Stock		Retained Earnings (Deficit)	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount		Shares	Amount				
Balance at December 31, 2012	87,229,703	$ 598,139	177,911,922	$ 1,779	$ 865,144	—	$ —	$ (1,648,356)	$ (95,530)	$ 88	$ (876,875)
Comprehensive loss	—	—	—	—	—	—	—	(100,494)	45,635	2,863	(51,996)
Issuances pursuant to settlement of stock-based awards	—	—	721,487	7	7,911	—	—	—	—	—	7,918
Accrued preferred shares dividend		36,704		—	—	—	—	(36,704)	—	—	(36,704)
Stock-based compensation expense	—	—	—	—	7,564	—	—	—	—	—	7,564
Dividends paid to non-controlling interest on subsidiary common stock	—	—	—	—	—	—	—	—	—	(2,443)	(2,443)
Balance at December 31, 2013	87,229,703	634,843	178,633,409	1,786	880,619	—	—	(1,785,554)	(49,895)	508	(952,536)
Comprehensive income	—	—	—	—	—	—	—	69,223	(19,908)	2,732	52,047
Dividends declared	—	—	—	—	—	—	—	(47,904)	—	—	(47,904)
Issuances pursuant to:											
Initial public offering, net of offering costs	—	—	45,080,000	451	671,686	—	—	—	—	—	672,137
Conversion of redeemable preferred stock to common stock	(87,229,703)	(646,224)	40,343,529	403	645,821	—	—	—	—	—	646,224
Settlement of stock-based awards	—	—	4,180,609	42	19,584	437,386	(5,297)	—	—	—	14,329
Accrued preferred shares dividend	—	11,381	—	—	—	—	—	(11,381)	—	—	(11,381)
Stock-based compensation expense	—	—	—	—	29,217	—	—	—	—	—	29,217
Initial recognition of tax receivable agreement liability	—	—	—	—	(321,377)	—	—	—	—	—	(321,377)
Tax effect of initial public offering related costs	—	—	—	—	6,246	—	—	—	—	—	6,246
Dividends paid to non-controlling interest on subsidiary common stock	—	—	—	—	—	—	—	—	—	(2,844)	(2,844)
Acquisition of minority interest	—	—	—	—	—	—	—	—	—	225	225
Balance at December 31, 2014	—	—	268,237,547	2,682	1,931,796	437,386	(5,297)	(1,775,616)	(69,803)	621	84,383
Comprehensive income	—	—	—	—	—	—	—	545,482	(27,332)	3,481	521,631
Dividends declared	—	—	—	—	—	—	—	(98,596)	—	—	(98,596)
Repurchase of common stock	—	—	—	—	—	3,400,000	(98,770)	—	—	—	(98,770)
Settlement of stock-based awards	—	—	10,844,926	108	54,425	289,257	(6,481)	—	—	—	48,052
Stock-based compensation expense	—	—	—	—	30,104	—	—	—	—	—	30,104
Dividends paid to non-controlling interest on subsidiary common stock	—	—	—	—	—	—	—	—	—	(2,664)	(2,664)
Balance at December 31, 2015	—	$ —	279,082,473	$ 2,790	$ 2,016,325	4,126,643	$ (110,548)	$ (1,328,730)	$ (97,135)	$ 1,438	$ 484,140

See Notes to Consolidated Financial Statements

1. Summary of Business and Significant Accounting Policies

Description of Business

Sabre Corporation is a Delaware corporation formed in December 2006. On March 30, 2007, Sabre Corporation acquired Sabre Holdings Corporation ("Sabre Holdings"). Sabre Holdings is the sole subsidiary of Sabre Corporation. Sabre GLBL Inc. ("Sabre GLBL") is the principal operating subsidiary and sole direct subsidiary of Sabre Holdings. Sabre GLBL or its direct or indirect subsidiaries conduct all of our businesses. In these consolidated financial statements, references to "Sabre," the "Company," "we," "our," "ours," and "us" refer to Sabre Corporation and its consolidated subsidiaries unless otherwise stated or the context otherwise requires.

We are a leading technology solutions provider to the global travel and tourism industry. We operate through two business segments: (i) Travel Network, our global travel marketplace for travel suppliers and travel buyers, and (ii) Airline and Hospitality Solutions, an extensive suite of travel industry leading software solutions primarily for airlines and hotel properties.

Basis of Presentation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). We consolidate all majority owned subsidiaries and companies over which we exercise control through majority voting rights. No entities are consolidated due to control through operating agreements, financing agreements, or as the primary beneficiary of a variable interest entity. The consolidated financial statements include our accounts after elimination of all significant intercompany balances and transactions. All dollar amounts in the financial statements and the tables in the notes, except per share amounts, are stated in thousands of U.S. dollars unless otherwise indicated. All amounts in the notes reference results from continuing operations unless otherwise indicated.

The preparation of these annual financial statements in conformity with GAAP requires that certain amounts be recorded based on estimates and assumptions made by management. Actual results could differ from these estimates and assumptions. Our accounting policies, which include significant estimates and assumptions, include, among other things, estimation of the collectability of accounts receivable, amounts for future cancellations of bookings processed through the Sabre GDS, revenue recognition for software arrangements, determination of the fair value of assets and liabilities acquired in a business combination, determination of the fair value of derivatives, the evaluation of the recoverability of the carrying value of intangible assets and goodwill, assumptions utilized in the determination of pension and other postretirement benefit liabilities, estimation of loss contingencies, and evaluation of uncertainties surrounding the calculation of our tax assets and liabilities.

Reclassifications

Certain reclassifications have been made to prior periods in order to conform to the current year presentation. Reclassifications made in our consolidated balance sheet as of December 31, 2014 relate to, among others, deferred tax assets and liabilities, debt issuance costs and other receivables, net. In the fourth quarter of 2015, we adopted Accounting Standards Update ("ASU") 2015-17, Balance Sheet Classification of Deferred Taxes, and ASU 2015-03, Simplifying the Presentation of Debt Issuance Costs. These ASUs were issued by the FASB under their initiative to reduce complexity in financial reporting. The adoption of ASU 2015-17 resulted in the reclassification of $182 million from current deferred tax assets, of which $129 million increased noncurrent deferred tax assets and $54 million reduced noncurrent deferred tax liabilities in our consolidated balance sheet as of December 31, 2014. The adoption of ASU 2015-03 resulted in the reclassification of $21 million of debt issuance costs from other assets, all of which reduced long-term debt as of December 31, 2014. In addition, to further simplify our consolidated balance sheets, $30 million of other receivables, net as of December 31, 2014 have been reclassified to prepaid expenses and other current assets.

Revenue Recognition

We employ a number of revenue models across our businesses, depending on the dynamics of the industry segment and the technology on which the revenue is based. Some revenue models are used in multiple businesses. Travel Network primarily employs the transaction revenue model. Airline and Hospitality Solutions primarily employs the SaaS and hosted and consulting revenue models, as well as the software licensing fee model to a lesser extent. Contracts with the same customer which are entered into at or around the same period are analyzed for revenue recognition purposes on a combined basis across our businesses which can impact our revenue recognized.

We report revenue net of any revenue based taxes assessed by governmental authorities that are imposed on and concurrent with specific revenue producing transactions.

Transaction Revenue Model—This model accounts for substantially all of Travel Network's revenues. We define a direct billable booking as any booking that generates a fee directly to Travel Network. Transaction fees include, but are not limited to, transaction fees paid by travel suppliers for selling their inventory through the Sabre global distribution system ("GDS") and transaction fees paid by travel agency subscribers related to their use of the Sabre GDS. Pursuant to this model, a transaction occurs when a travel agency or corporate travel department books, or reserves, a travel supplier's product on the Sabre GDS. We receive revenue from a travel supplier, travel agency, or corporate travel department depending upon the commercial arrangement represented in each of their contracts. Transaction revenue for airline travel reservations is recognized at the time of the booking of the reservation, net of estimated future cancellations. Our transaction fee cancellation reserve was $13 million and $9 million at December 31, 2015 and 2014, respectively. Transaction revenue for car rental, hotel bookings and other travel providers is recognized at the time the reservation is used by the customer. We evaluate whether it is appropriate to record the gross amount of our revenues and related costs by considering a number of factors, including, among other things, whether we are the primary obligor under the arrangement, change the product or perform part of the service and have latitude in establishing prices.

Software-as-a-Service and Hosted Revenue Model—SaaS and hosted is the primary revenue model employed by Airline and Hospitality Solutions. In this revenue model, we host software solutions on secure platforms, or deploy it through our SaaS solutions, we maintain the software and manage the related infrastructure. Our customers, which include airlines, airports and hotel companies, pay us an upfront solutions fee and a recurring usage-based fee for the use of the software pursuant to contracts with terms that typically range between three and ten years and generally include minimum annual volume requirements. This usage-based fee arrangement allows our customers to pay for software normally on a monthly basis, to the extent that it is used. Contracts with the same customer which are entered into at or around the same period are analyzed for revenue recognition purposes on a combined basis. Revenue from upfront solution fees is generally recognized over the term of the agreement. The amount of periodic usage fees is typically based on a metric relevant to the software's purpose. We recognize revenue from recurring usage based fees in the period earned, which typically fluctuates based on a real time metric, such as the actual number of passengers boarded or the actual number of hotel bookings made in a given month.

Consulting Revenue Model—Our SaaS and hosted offerings can be sold as part of multiple element agreements for which we also provide consulting services. Our consulting services are primarily focused on helping customers achieve better utilization of and return on their software investment. Often we provide consulting services during the implementation phase of our SaaS solutions. In such cases, we account for consulting service revenue separately from upfront solution fees and recurring usage-based fees, with value assigned to each element based on its relative selling price to the total selling price. We perform a market analysis on a periodic basis to determine the range of selling prices for each product and service. Estimated selling prices are set for each product and service delivered to customers. The revenue for consulting services is generally recognized over the period the services are performed.

Software Licensing Fee Revenue Model—The software licensing fee revenue model is utilized by Airline and Hospitality Solutions. Under this model, we generate revenue by charging customers for the installation and use of our software products. Some contracts under this model generate additional revenue for the maintenance of the software product. When software is sold without associated customization or implementation services, revenue from software licensing fees is recognized when all of the following are met: (i) the software is delivered, (ii) fees are fixed or determinable, (iii) no undelivered elements are essential to the functionality of delivered software, and (iv) collection is probable. When software is sold with customization or implementation services, revenue from software licensing fees is recognized based on the percentage of completion of the customization and implementation services. Fees for software maintenance are recognized ratably over the life of the contract. We are unable to determine vendor specific objective evidence of fair value for software maintenance fees. Therefore, when fees for software maintenance are included in software license agreements, revenue from the software license, customization, implementation and the maintenance are recognized ratably over the related contract term.

Incentive Consideration

Certain service contracts with significant travel agency customers contain booking productivity clauses and other provisions that allow travel agency customers to receive cash payments or other consideration. We establish liabilities for these commitments and recognize the related expense as these travel agencies earn incentive consideration based on the applicable contractual terms. Periodically, we make cash payments to these travel agencies at inception or modification of a service contract which are capitalized and amortized to cost of revenue over the expected life of the service contract, which is generally three to five years. Deferred charges related to such contracts are recorded in other assets, net on the consolidated balance sheets. The service contracts are priced so that the additional airline and other booking fees generated over the life of the contract will exceed the cost of the incentive

consideration provided. Incentive consideration paid to the travel agency represents a commission paid to the travel agency for booking travel on our GDS and the amounts paid to travel agencies represent fair value for the services provided.

Advertising Costs

The majority of our historical advertising expense related to our discontinued Travelocity segment. Advertising costs are expensed as incurred. Advertising costs incurred by our discontinued Travelocity segment totaled $10 million, $141 million and $142 million for the years ended December 31, 2015, 2014 and 2013, respectively, which are included in net (loss) income from discontinued operations. Advertising costs incurred by our continuing operations totaled $19 million, $17 million and $16 million for the years ended December 31, 2015, 2014 and 2013, respectively.

Cash and Cash Equivalents and Restricted Cash

We classify all highly liquid instruments, including money market funds and money market securities with original maturities of three months or less, as cash equivalents. Restricted cash relate to security provided for certain bank guarantees and banking services for specific subsidiaries in Europe related to our discontinued Travelocity segment.

Allowance for Doubtful Accounts and Concentration of Credit Risk

We evaluate the collectability of our accounts receivable based on a combination of factors. In circumstances where we are aware of a specific customer's inability to meet its financial obligations to us, such as bankruptcy filings or failure to pay amounts due to us or others, we record a specific reserve for bad debts against amounts due to reduce the recorded receivable to the amount we reasonably believe will be collected. For all other customers, we record reserves for bad debts based on historical experience and the length of time the receivables are past due. We maintained an allowance for doubtful accounts of approximately $32 million and $26 million at December 31, 2015 and 2014, respectively.

Effective January 1, 2014, we have recorded specific reserves against all accounts receivable outstanding due to us from certain airlines in Venezuela and are deferring the recognition of any future revenues until cash is collected. Accounts receivable outstanding from customers in Venezuela totaled $14 million and $6 million as of December 31, 2015 and 2014, which will be recognized as revenue when cash is received.

Our customers are primarily located in the United States, Canada, Europe, Latin America and Asia, and are concentrated in the travel industry. We generate a significant portion of our revenues and corresponding accounts receivable from services provided to the commercial air travel industry. As of December 31, 2015 and 2014, approximately $252 million, or 72%, and $204 million, or 67%, respectively, of our trade accounts receivable was attributable to these customers, in each case excluding balances associated with our discontinued Travelocity segment. Our other accounts receivable are generally due from other participants in the travel and transportation industry. Substantially all of our accounts receivable represents trade balances. We generally do not require security or collateral from our customers as a condition of sale.

We regularly monitor the financial condition of the air transportation industry. We believe the credit risk related to the air carriers' difficulties is significantly mitigated by the fact that we collect a significant portion of the receivables from these carriers through the Airline Clearing House ("ACH") and other similar clearing houses. As of December 31, 2015, approximately 57% of our air customers make payments through the ACH which accounts for approximately 89% of our air revenue. For these carriers, we believe the use of ACH mitigates our credit risk with respect to airline bankruptcies. For those carriers from which we do not collect payments through the ACH or other similar clearing houses, our credit risk is higher. We monitor these carriers and account for the related credit risk through our normal reserve policies.

Derivative Financial Instruments

We recognize all derivatives on the consolidated balance sheets at fair value. If the derivative is designated as a hedge, depending on the nature of the hedge, changes in the fair value of derivatives are offset against the change in fair value of the hedged item through earnings (a "fair value hedge") or recognized in other comprehensive income until the hedged item is recognized in earnings (a "cash flow hedge"). The ineffective portion of the change in fair value of a derivative designated as a hedge is immediately recognized in earnings. For derivative instruments not designated as hedging instruments, the gain or loss resulting from the change in fair value is recognized in current earnings during the period of change. No hedging ineffectiveness was recorded in earnings during the periods presented.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization, which is calculated on the straight-line basis. Our depreciation and amortization policies are as follows:

Buildings	Lesser of lease term or 35 years
Leasehold improvements	Lesser of lease term or useful life
Furniture and fixtures	5 to 15 years
Equipment, general office and computer	3 to 5 years
Software developed for internal use	3 to 5 years

We capitalize certain costs related to applications, infrastructure and graphics development for our GDS and websites under authoritative guidance on software developed for internal use. Capitalizable costs consist of (a) certain external direct costs of materials and services incurred in developing or obtaining internal use computer software and (b) payroll and payroll related costs for employees who are directly associated with and who devote time to our GDS and web-related development projects. Costs incurred during the preliminary project stage or costs incurred for data conversion activities and training, maintenance and general and administrative or overhead costs are expensed as incurred. Costs that cannot be separated between maintenance of, and relatively minor upgrades and enhancements to, internal use software are also expensed as incurred. See Note 6, Balance Sheet Components, for amounts capitalized as property and equipment in our consolidated balance sheets. Depreciation and amortization of property and equipment totaled $214 million, $157 million and $123 million for the years ended December 31, 2015, 2014 and 2013, respectively. Amortization of software developed for internal use, included in depreciation and amortization, totaled $170 million, $122 million and $90 million for the years ended December 31, 2015, 2014 and 2013, respectively.

Property and equipment are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets used in combination to generate cash flows largely independent of other assets may not be recoverable. We did not record any property and equipment impairment charges for the years ended December 31, 2015, 2014 and 2013.

Business Combinations

Business combinations are accounted for under the acquisition method of accounting. Under this method, the assets acquired and liabilities assumed are recognized at their respective fair values as of the date of acquisition. The excess, if any, of the acquisition price over the fair values of the assets acquired and liabilities assumed is recorded as goodwill. For significant acquisitions, we utilize third-party appraisal firms to assist us in determining the fair values for certain assets acquired and liabilities assumed. The measurement of these fair values requires us to make significant estimates and assumptions which are inherently uncertain.

Adjustments to the fair values of assets acquired and liabilities assumed are made until we obtain all relevant information regarding the facts and circumstances that existed as of the acquisition date (the “measurement period”), not to exceed one year from the date of the acquisition. In the third quarter of 2015, we adopted ASU 2015-16, Simplifying the Accounting for Measurement-Period Adjustments, which requires us to recognize measurement-period adjustments in the period in which we determine the amounts, including the effect on earnings of any amounts we would have recorded in previous periods if the accounting had been completed at the acquisition date.

Goodwill and Intangible Assets

Goodwill is the excess of the purchase price over the fair value of identifiable tangible and intangible assets acquired in business combinations. Goodwill and indefinite-lived intangible assets are not amortized but are reviewed for impairment on an annual basis or more frequently if events and circumstances indicate the carrying amount may not be recoverable. Definite-lived intangible assets are amortized on a straight-line basis and assigned useful economic lives of two to thirty years, depending on classification. The useful economic lives are evaluated on an annual basis.

We perform our annual assessment of possible impairment of goodwill and indefinite-lived intangible assets as of October 1 of each year. We begin with the qualitative assessment of whether it is more likely than not that a reporting unit’s fair value is less than its carrying value before applying the two step goodwill impairment model described below. If it is determined through the qualitative assessment that a reporting unit’s fair value is more likely than not greater than its carrying value, the remaining impairment steps are unnecessary. Otherwise, we perform a comparison of the estimated fair value of the reporting unit to which the goodwill has been assigned to the sum of the carrying value of the assets and liabilities of that unit. If the sum of the carrying value of the assets and liabilities of a reporting unit exceeds the estimated fair value of that reporting unit, the carrying value of the reporting unit’s goodwill is reduced to its implied fair value through an adjustment to the goodwill balance, resulting in an impairment charge. We have three reporting units associated with our continuing operations: Travel Network, Airline Solutions

and Hospitality Solutions. In addition, we had two reporting units associated with our discontinued operations: Travelocity—North America and Travelocity —Europe. Based on our qualitative assessment, we did not record any goodwill impairment charges for the years ended December 31, 2015 and 2014. We recorded $136 million in goodwill impairment charges related to our discontinued Travelocity segment for the year ended December 31, 2013, which are included in net (loss) income from discontinued operations. See Note 5, Goodwill and Intangible Assets, for additional information.

Definite-lived intangible assets are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of definite lived intangible assets used in combination to generate cash flows largely independent of other assets may not be recoverable. If impairment indicators exist for definite-lived intangible assets, the undiscounted future cash flows associated with the expected service potential of the assets are compared to the carrying value of the assets. If our projection of undiscounted future cash flows is in excess of the carrying value of the intangible assets, no impairment charge is recorded. If our projection of undiscounted cash flows is less than the carrying value, the intangible assets are measured at fair value and an impairment charge is recorded based on the excess of the carrying value of the assets to its fair value. We did not record material intangible asset impairment charges for the years ended December 31, 2015, 2014 and 2013. See Note 5, Goodwill and Intangible Assets, for additional information.

Equity Method Investments

We utilize the equity method to account for our interests in joint ventures and investments in stock of other companies that we do not control but over which we exert significant influence. We periodically evaluate equity and debt investments in entities accounted for under the equity method for impairment by reviewing updated financial information provided by the investee, including valuation information from new financing transactions by the investee and information relating to competitors of investees when available. On July 1, 2015, we completed the acquisition of the remaining 65% interest in Abacus International Pte Ltd (“AIPL”), a former joint venture, which we previously accounted for under the equity method. In addition to the acquisition in AIPL, we also own voting interests in various national marketing companies ranging from 20% to 49% , a voting interest of 40% in ESS Elektroniczne Systemy Spzedazy Sp. zo.o, and a voting interest of 20% in Sabre Bulgaria AD. The carrying value of these investments in joint venture amounts to $21 million as of December 31, 2015.

As of December 31, 2014, the carrying amount of our investment in AIPL included $89 million of excess basis over our underlying equity interest in AIPL's net assets. This differential represented goodwill and identifiable intangible assets, which were being amortized to joint venture equity income over their estimated lives prior to our acquisition of the remaining interest in AIPL.

Capitalized Implementation Costs

We incur upfront costs to implement new customer contracts under our SaaS revenue model. We capitalize these costs, including (a) certain external direct costs of materials and services incurred to implement a customer contract and (b) payroll and payroll related costs for employees who are directly associated with and devote time to implementation activities. Capitalized implementation costs are amortized on a straight-line basis over the related contract term, ranging from three to ten years, as they are recoverable through deferred or future revenues associated with the relevant contract. These assets are reviewed for recoverability on a periodic basis or when an event occurs that could impact the recoverability of the assets, such as a significant contract modification or early renewal of contract terms. Recoverability is measured based on the future estimated revenue and direct costs of the contract compared to the capitalized implementation costs.

Deferred Customer Advances and Discounts

Deferred advances to customers and customer discounts are amortized in future periods as the related revenue is earned. The assets are reviewed for recoverability based on future contracted revenues and estimated direct costs of the contract. Contracts are priced to generate total revenues over the life of the contract that exceed any discounts or advances provided and any upfront costs incurred to implement the customer contract.

Income Taxes

Deferred income tax assets and liabilities are determined based on differences between financial reporting and income tax basis of assets and liabilities and are measured using the tax rates and laws in effect at the time of such determination. We regularly review our deferred tax assets for recoverability and a valuation allowance is provided when it is more likely than not that some portion or all of a deferred tax asset will not be realized. In assessing the need for a valuation allowance, we make estimates and assumptions regarding projected future taxable income, our ability to carry back operating losses to prior periods, the reversal of deferred tax liabilities and implementation of tax planning strategies. We reassess these assumptions regularly which could cause

an increase or decrease to the valuation allowance resulting in an increase or decrease in the effective tax rate, and could materially impact our results of operations.

We recognize liabilities when we believe that an uncertain tax position may not be fully sustained upon examination by the tax authorities. Liabilities are recognized for uncertain tax positions that do not pass a two-step approach for recognition and measurement. First, we evaluate the tax position for recognition by determining if based solely on its technical merits, it is more likely than not to be sustained upon examination. Secondly, for positions that pass the first step, we measure the tax benefit as the largest amount which is more than 50% likely of being realized upon ultimate settlement. We recognize penalties and interest accrued related to income taxes as a component of the provision for income taxes.

Pension and Other Postretirement Benefits

We recognize the funded status of our defined benefit pension plans and other postretirement benefit plans in our consolidated balance sheets. The funded status is the difference between the fair value of plan assets and the benefit obligation as of the balance sheet date. The fair value of plan assets represents the cumulative contributions made to fund the pension and other postretirement benefit plans which are invested primarily in domestic and foreign equities and fixed income securities. The benefit obligation of our pension and other postretirement benefit plans are actuarially determined using certain assumptions approved by us. The benefit obligation is adjusted annually in the fourth quarter to reflect actuarial changes and may also be adjusted upon the adoption of plan amendments. These adjustments are initially recorded in accumulated other comprehensive income (loss) and are subsequently amortized over the life expectancy of the plan participants as a component of net periodic benefit costs.

Equity-Based Compensation

We account for our stock awards and options by recognizing compensation expense, measured at the grant date based on the fair value of the award, on a straight-line basis over the award vesting period, giving consideration as to whether the amount of compensation cost recognized at any date is equal to the portion of grant date value that is vested at that date. We recognize equity-based compensation expense net of an estimated forfeiture rate which is based on our historical experience of granted awards that are canceled prior to vesting.

We measure the grant date fair value of stock option awards as calculated by the Black-Scholes option-pricing model which requires certain subjective assumptions, including the expected term of the option, the expected volatility of our common stock, risk-free interest rates and expected dividend yield. The expected term is estimated by using the “simplified method” which is based on the midpoint between the vesting date and the expiration of the contractual term. We utilized the simplified method due to the lack of sufficient historical experience under our current grant terms. The expected volatility is estimated by using the average of the median historic price volatility and the median implied volatility of common stock of industry peers due to the lack of sufficient historical volatility of our common stock. Our industry peers consist of several public companies in the technology industry that are similar in size, stage of life cycle and financial leverage. The expected risk-free interest rates are based on the yields of U.S. Treasury securities with maturities appropriate for the expected term of the stock options. The expected dividend yield was based on the calculated yield on our common stock at the time of grant assuming annual dividends totaling $0.36 per share.

Foreign Currency

We remeasure foreign currency transactions into the relevant functional currency and record the foreign currency transaction gains or losses as a component of other, net in our consolidated statements of operations. We translate the financial statements of our non-U.S. dollar functional currency foreign subsidiaries into U.S. dollars in consolidation and record the translation gains or losses as a component of other comprehensive income (loss). Translation gains or losses of foreign subsidiaries related to divested businesses are reclassified into earnings as a component of other, net in our consolidated statements of operations once the liquidation of the respective foreign subsidiaries is substantially complete. The majority of our foreign subsidiaries related to divested businesses are classified as discontinued operations in our consolidated statements of operations.

2. Acquisitions

Abacus

On July 1, 2015, we completed the acquisition of the remaining 65% interest in AIPL, a Singapore-based business-to-business travel e-commerce provider that serves the Asia-Pacific region. Prior to the acquisition, AIPL was 65% owned by a consortium of 11 airlines and the remaining 35% was owned by us. Separately, AIPL has signed new long-term agreements with the consortium of 11 airlines to continue to utilize the Abacus GDS. In the third and fourth quarters of 2015, AIPL completed the acquisition of the remaining interest in three national marketing companies, Abacus Distribution Systems (Hong Kong), Abacus Travel Systems (Singapore) and Abacus Distribution Systems Sdn Bhd (Malaysia) (the "NMCs" and, together with AIPL, "Abacus"). AIPL previously owned noncontrolling interests in the NMCs. The net cash consideration for Abacus was $442 million, which includes the effect of net working capital adjustments finalized in the fourth quarter of 2015. The acquisition was funded with a combination of cash on hand and a $70 million draw on our revolving credit facility. We incurred acquisition-related costs of $14 million and $4 million during the years ended December 31, 2015 and 2014, respectively, which are included in selling, general and administrative expenses in our consolidated statements of operations.

Preliminary Purchase Price Allocation

The purchase price allocation presented below is preliminary and based on available information as of the filing date of this Annual Report on Form 10-K. Accordingly, the purchase price allocation is subject to change when finalized, which may result in an adjustment to the gain we recognized as a result of the remeasurement of our previously-held 35% equity interest in Abacus, further described below. We expect to finalize the purchase price allocation in the first quarter of 2016. A summary of the acquisition price and estimated fair values of assets acquired and liabilities assumed as of the date of acquisition is as follows (in thousands):

Cash and cash equivalents	$	65,641
Accounts receivable, net		49,099
Other current assets		12,522
Intangible assets:		
Customer relationships		319,000
Reacquired rights[(1)]		113,500
Purchased technology		14,000
Supplier agreements		13,000
Trademarks and brand names		4,000
Property and equipment, net		4,021
Other assets		65,876
Current liabilities		(118,522)
Noncurrent liabilities		(44,245)
Noncurrent deferred income taxes		(75,228)
Goodwill		287,349
		710,013
Fair value of Sabre Corporation's previously held equity investment in AIPL		(200,000)
Fair value of AIPL's previously held equity investment in national marketing companies		(1,880)
Total acquisition price	$	508,133

(1) In connection with the acquisition of Abacus, we reacquired certain contractual rights that provided Abacus the exclusive right, within the Asia-Pacific region, to operate and profit from the Sabre GDS.

In connection with our acquisition of Abacus, we recognized a gain of $78 million for the year ended December 31, 2015, as a result of the remeasurement of our previously-held 35% equity interest in Abacus to its fair value as of the acquisition date. The fair value of the previously-held equity interest of $202 million in Abacus was estimated by applying a market approach and an income approach. The fair value measurement of the previously-held equity interest is based on significant inputs not observable in the market, and therefore represents Level 3 measurements (see Note 10, Fair Value, for a description of the fair value hierarchy). The fair value estimate for the previously-held equity interest is based on (i) a discount rate commensurate with the risks and inherent uncertainty in the business, (ii) an assumed long-term sustainable growth rate based on our most recent views of the long-term outlook, and (iii) assumed financial multiples of reporting entities deemed to be similar to Abacus. In addition, we recognized a gain of $12 million for year the ended December 31, 2015, associated with the settlement of a pre-existing agreement between us and AIPL related to data processing services. The $78 million remeasurement gain and the $12 million settlement gain are reflected in other, net in our consolidated statements of operations.

The goodwill recognized reflects expected synergies from combined operations and also the acquired assembled workforce of Abacus. The goodwill recognized is assigned to our Travel Network business and is not deductible for tax purposes. The useful lives of the intangible assets acquired are 20 years for customer relationships, 7 years for reacquired rights, 3 years for purchased technology, 7 years for supplier agreements and 2 years for trademarks and brand names.

The preliminary purchase price allocation includes estimates for contingent liabilities of $25 million related to tax uncertainties. We are evaluating certain other contingencies that existed as of the acquisition date, which may impact the purchase price allocation.

As part of the integration strategy for Abacus, management evaluated actions to optimize the investment's potential, including the implementation of a restructuring plan to align the acquired business with Travel Network. This plan includes the elimination of redundant positions, centralization of key operations and termination of particular product offerings. As a result, we recorded a restructuring charge of $9 million associated with termination benefits, of which $1 million was paid during the six months ended December 31, 2015. The plan is expected to be substantially complete by the fourth quarter of 2016, and we currently do not expect to incur significant additional charges in connection with the plan. These restructuring charges are included in selling, general and administrative expenses in our consolidated results of operations.

Unaudited Pro Forma Financial Information

Since the acquisition date, Abacus contributed $187 million of revenue and $13 million of income from continuing operations for the year ended December 31, 2015. The following unaudited pro forma results of operations information give effect to the acquisitions of Abacus as if it occurred on January 1, 2014. The unaudited pro forma results of operations information excludes the $78 million gain on the remeasurement of our previously-held 35% investment in AIPL, the $12 million gain on the settlement of a pre-existing agreement between us and AIPL, and all acquisition-related costs incurred. The unaudited pro forma results of operations information include adjustments to: (i) eliminate historical revenue and cost of revenue between us, AIPL and the NMCs; (ii) remove historical amortization recognized by AIPL associated with its upfront incentive consideration and software developed for internal use, which are replaced by acquired intangible assets; and (iii) add amortization expense associated with acquired intangible assets.

The following unaudited pro forma results of operations information is presented in thousands:

	Year Ended December 31,	
	2015	2014
Revenue	$ 3,109,310	$ 2,905,944
Income from continuing operations	165,006	122,561
Net income attributable to common stockholders	475,933	69,524

The unaudited pro forma financial information is for informational purposes only and is not necessarily indicative of what our financial performance would have been had the acquisition been completed on the date assumed nor is such unaudited pro forma combined financial information necessarily indicative of the results to be expected in any future period.

Genares

In September 2014, we acquired certain assets and liabilities of Genares Worldwide Reservation Services, Ltd. ("Genares"), a provider of central reservation systems, revenue management and marketing solutions to more than 2,300 independent and chain hotel properties worldwide. Under the transaction, we acquired the net assets of Genares for cash consideration of $32 million. The operating results of Genares have been included in our consolidated statement of operations and results of operations of our Airline and Hospitality Solutions segment from the date of the acquisition. Assets acquired and liabilities assumed were recorded at their estimated fair values using management's best estimates, based in part on an independent valuation of the net assets acquired. The allocation of the purchase price includes $16 million of goodwill, which is deductible for tax purposes, $16 million of other intangible assets and $1 million of other net assets acquired. The other intangible assets consist primarily of $13 million of acquired customer relationships with a useful life of ten years and $2 million of non-compete agreements with a useful life of five years.

The acquisition of Genares did not have a material impact to our consolidated financial statements, and therefore pro forma information is not presented.

PRISM

In August 2012, we acquired all of the outstanding stock and ownership interests of PRISM Group Inc. and PRISM Technologies LLC (collectively "PRISM"), a leading provider of end to end airline contract business intelligence and decision support software. The acquisition added to our portfolio of products within Airline and Hospitality Solutions, allows for new relationships with airlines and added to our existing business intelligence capabilities. The purchase price was $116 million, of which $66 million was paid in August 2012 and $50 million, on a discounted basis, was contingent consideration paid in two annual installments. The first $27 million installment was paid in August 2013 and represented a holdback payment primarily for indemnification purposes. The second $27 million installment was paid in August 2014 and represented contingent consideration based on performance measures which were met. In addition, we paid a total of $6 million of contingent compensation to key employees in two installments of $3 million each in August of 2013 and 2014. The contingent compensation was not considered part of the purchase price consideration.

3. Discontinued Operations

Over the past several years, we have disposed of non-core operations of our Travelocity business and, in the fourth quarter of 2014, we committed to a plan to completely divest of our Travelocity business which we completed in the first quarter of 2015. On January 23, 2015, we announced the sale of our Travelocity business in the United States and Canada ("Travelocity.com"). In addition, on December 16, 2014, we announced that we received a binding offer to sell lastminute.com, the European portion of our Travelocity business, which closed on March 1, 2015. Our former Travelocity segment has no remaining operations subsequent to these dispositions. The financial results of our Travelocity business are included in net (loss) income from discontinued operations in our consolidated statements of operations for all periods presented. The assets and liabilities of Travelocity.com and lastminute.com to be disposed of are classified as held for sale in our consolidated balance sheet as of December 31, 2014.

Travelocity.com—On January 23, 2015, we sold Travelocity.com to Expedia, pursuant to the terms of an Asset Purchase Agreement (the "Travelocity Purchase Agreement"), dated January 23, 2015, by and among Sabre GLBL and Travelocity.com LP, and Expedia. The signing and closing of the Travelocity Purchase Agreement occurred contemporaneously. Expedia purchased Travelocity.com pursuant to the Travelocity Purchase Agreement for cash consideration of $280 million. The net assets of Travelocity.com disposed of primarily included a trade name with a carrying value of $55 million as of December 31, 2014. We recognized a gain on sale of $143 million, net of tax, in the first quarter of 2015.

lastminute.com—On December 16, 2014, we sold lastminute.com to Bravofly Rumbo Group. The transaction was completed through the transfer of net liabilities as of the date of sale consisting primarily of a working capital deficit of $70 million, partially offset by assets sold including intangible assets of $27 million. We did not receive any cash proceeds or any other significant consideration in the transaction other than payment for specific services to be provided to the acquirer under a transition services agreement which concludes on March 31, 2016. Additionally, at the time of sale, the acquirer entered into a long-term agreement with us to continue to utilize our GDS for bookings which generates incentive consideration to be paid by us to the acquirer. We recognized a gain on sale of $24 million, net of tax, in 2015.

Travel Partner Network—In February 2014, we completed a sale of assets associated with Travelocity Partner Network ("TPN"), a business-to-business private white label website offering, for $10 million in proceeds. Pursuant to the sale agreement, we were to receive two annual earn-out payments, totaling up to $10 million, if the purchaser exceeded certain revenue thresholds during the calendar years ending December 31, 2014 and 2015, which were not met. In connection with the sale, Travelocity entered into a Transition Services Agreement ("TSA") with the acquirer to provide services to maintain the websites and certain technical and administrative functions for the acquirer until a complete transition occurs or the TSA terminates. Consideration received under both agreements has been allocated to the disposition and the services provided under the TSA; therefore, a significant portion of the upfront proceeds were deferred, based on fair value of the TSA services, and recognized as an offset to operating expense within discontinued operations as the services were provided through August 2015. We recognized a $3 million loss on disposition for the year ended December 31, 2014 in our results of discontinued operations.

Holiday Autos—On June 25, 2013, we sold certain assets of our Holiday Autos operations to a third party and, in November 2013, completed the closing of the remainder of the Holiday Autos operations such that it represented a discontinued operation. Holiday Autos was a leisure car hire broker that offered pre-paid, low-cost car rentals in various markets, largely in Europe. In the second quarter of 2013, we recognized an $11 million loss, net of tax, on the sale of Holiday Autos. The loss includes the write-off of $39 million of goodwill and intangible assets attributed to Holiday Autos, with the goodwill portion determined based on Holiday Autos' relative fair value to the Travelocity Europe reporting unit. The sale provided for us to receive two earn-out payments measured during the 12 month periods ending September 30, 2014 and 2015, totaling up to $12 million, based upon the purchaser exceeding certain booking thresholds as defined in the sale agreement. At the time of sale, we recognized a total of $6 million relative to these earn-out provisions. We received the first earn-out payment of $6 million in the fourth quarter of 2014.

The second earn-out payment of $6 million was received in January 2016 and will be reflected as a gain in our first quarter 2016 results from operations.

TBiz—On June 18, 2013, we completed the sale of certain assets of Travelocity ("TBiz") operations to a third party for proceeds of $10 million. TBiz provided managed travel services for corporate customers. In the second quarter of 2013, we recognized a pre-tax gain on the sale of TBiz of $1 million which included the write-off of $9 million of goodwill attributed to TBiz based on the relative fair value to the Travelocity North America reporting unit. On an after tax basis, we recognized a loss of $3 million on the sale of TBiz.

Zuji—In December 2012, we entered into an agreement to sell our shares of Zuji Properties A.V.V. and Zuji Pte Ltd along with its operating subsidiaries (collectively "Zuji"), a Travelocity Asia Pacific-based OTA. At that time, the assets were recorded at the lower of the carrying amount or fair value less cost to sell. We recorded an estimated loss on the sale of approximately $14 million, net of tax, during 2012. We sold Zuji in March 2013 and recorded an additional $11 million loss on sale, net of tax, in the first quarter of 2013. In addition, we reclassified $8 million, net of tax, of foreign currency translation losses associated with Zuji from accumulated other comprehensive income into loss from discontinued operations during the year ended December 31, 2013. We had continuing cash flows from Zuji due to reciprocal agreements between us and Zuji to provide hotel reservations services over a three year period. The agreements included commissions paid to the respective party based on qualifying bookings. Due to the restructuring activities associated with our discontinued Travelocity segment in the fourth quarter of 2013, there were no continuing cash flows under these agreements subsequent to 2013.

Financial Information of Discontinued Operations

The results of our discontinued operations are as follows (in thousands):

	Year Ended December 31,		
	2015	2014	2013
Revenue	$ 24,815	$ 328,835	$ 635,570
Cost of revenue	21,520	113,092	258,409
Selling, general and administrative	(23,077)	273,195	389,356
Impairment	—	—	138,947
Restructuring charges	—	1,785	28,387
Operating income (loss)	26,372	(59,237)	(179,529)
Other income (expense):			
Interest expense, net	—	—	(1,217)
Gain (loss) on sale of businesses[1]	294,276	—	(27,709)
Other, net	4,640	(10,545)	(4,430)
Total other income (expense), net	298,916	(10,545)	(33,356)
Income (loss) from discontinuing operations before income taxes	325,288	(69,782)	(212,885)
Provision (benefit) for income taxes[2]	10,880	(30,864)	(63,188)
Net income (loss) from discontinued operations	$ 314,408	$ (38,918)	$ (149,697)

(1) The year ended December 31, 2015 includes $31 million of reclassified cumulative translation gains associated with our lastminute.com subsidiaries. See "Divestiture of lastminute.com—Cumulative Translation Adjustments" for additional information.

(2) The year ended December 31, 2015 includes a U.S. tax benefit of $93 million; see "Divestiture of lastminute.com—U.S. Tax Benefit" for additional information.

For the year ended December 31, 2015, selling, general and administrative includes a gain of $40 million as a result of the favorable final ruling from the Supreme Court of Hawaii and receipt of a cash refund related to our litigation of hotel occupancy taxes. See Note 16, Commitments and Contingencies, for additional information.

During the year ended December 31, 2013, we recorded impairment charges totaling $139 million, which mainly comprised of impairments of goodwill. See Note 5, Goodwill and Intangible Assets, for additional information.

In the third quarter of 2013, we initiated plans to restructure our discontinued Travelocity segment, shifting Travelocity.com away from a fixed-cost model to a lower-cost, performance-based shared revenue structure. On August 22, 2013 we entered into an exclusive, long-term strategic marketing agreement with Expedia ("Expedia SMA"), in which Expedia powered the technology platforms for Travelocity's existing U.S. and Canadian websites. In the fourth quarter of 2013, we also initiated a plan to restructure lastminute.com which involved establishing it as a stand-alone operation, separating processes from the North America operations. As a result of the Travelocity restructuring actions initiated in 2013, we recorded charges of $28 million during the year ended

December 31, 2013 which included $4 million of asset impairments, $18 million of employee termination benefits and $6 million of other related costs. During the year ended December 31, 2014, we recorded a net charge of $2 million which included a $3 million loss on the sale of TPN, $3 million in additional severance costs and $2 million in other costs, net of adjustments to our original estimates of employee termination benefits of $6 million. The adjustments to our original estimates were primarily the result of certain employees that transferred to the acquirers of the TPN business and lastminute.com, respectively, without a required severance payment. The remaining restructuring liability was not material as of December 31, 2014.

The major classes of assets and liabilities that were held for sale associated with Travelocity.com and lastminute.com are as follows (in thousands):

	December 31, 2014
Assets	
Accounts receivable, net	$ 27,129
Prepaid expenses and other current assets	3,943
Property and equipment, net	15,597
Intangible assets, net	64,194
Other assets, net	1,695
Total assets held for sale	$ 112,558
Liabilities	
Accounts payable	$ 3,344
Travel supplier liabilities and related deferred revenue	70,858
Accrued compensation and related benefits	2,237
Deferred revenues	1,519
Other accrued liabilities	18,586
Total liabilities held for sale	$ 96,544

Continuing Cash Flows Associated with Travelocity.com and lastminute.com

Our Travel Network business earns revenue from airlines for bookings transacted through our GDS. Historically, Travel Network recognized intersegment incentive consideration expense for bookings generated by our Travelocity business. Such costs are representative of costs incurred on a consolidated basis relating to Travel Network's revenue from airlines for bookings transacted through our GDS. The acquirer of Travelocity.com maintained and the acquirer of lastminute.com signed a long-term agreement with our Travel Network business to continue to utilize our GDS for bookings which will generate incentive consideration to be paid by us to the acquirers. Incentive consideration expense presented as cost of revenue in our results of continuing operations totaled $10 million and $46 million for the years ended December 31, 2014 and 2013, respectively.

Divestiture of lastminute.com

Cumulative Translation Adjustments

Cumulative translation adjustment ("CTA") gains or losses of foreign subsidiaries related to divested businesses are reclassified into earnings once the liquidation of the respective foreign subsidiaries is substantially complete. During the year ended December 31, 2015, we substantially completed the liquidation of our lastminute.com subsidiaries and, therefore, reclassified $19 million, net of tax, of CTA gains from accumulated comprehensive income (loss) to our results of discontinued operations.

U.S. Tax Benefit

We wrote off the remaining U.S. tax basis in goodwill and intangible assets during the fourth quarter of 2015, the period in which we completed the wind down of lastminute.com activities. As a result, we recognized a U.S. tax benefit of $93 million in our results of discontinued operations.

4. Equity Method Investments

On July 1, 2015, we completed the acquisition of the remaining 65% interest in AIPL, a former joint venture, which we previously accounted for under the equity method. Prior to the acquisition, we provided AIPL with data processing services, development labor and other services as requested, under the terms of a service agreement. The primary revenue generated from AIPL was data processing fees associated with bookings on the Sabre GDS. Development labor and ancillary services were provided upon request. Additionally, in accordance with an agreement with AIPL, we collected booking fees on behalf of AIPL and recorded a payable, or economic benefit transfer, to AIPL for amounts collected but unremitted at any period end, net of any associated costs we incurred. As of December 31, 2015, our remaining equity method investments are not material to our consolidated financial statements.

Summarized financial information of AIPL is as follows:

	Six Months Ended	Year Ended December 31,	
	June 30, 2015	2014	2013
Results of operations data:			
Revenue	$ 197,527	$ 357,711	$ 335,255
Cost of revenue	129,870	225,269	205,505
Operating income	34,522	56,703	49,287
Net income	22,142	59,430	42,368
Net income attributable to AIPL	22,101	59,390	42,443

	December 31, 2014
Balance sheet data:	
Current assets	$ 202,916
Noncurrent assets	123,217
Current liabilities	140,272
Noncurrent liabilities	9,245
Noncontrolling interest	254

Financial information of our related party transactions with AIPL is as follows:

	Six Months Ended	Year Ended December 31,	
	June 30, 2015	2014	2013
Revenue earned from AIPL	$ 50,303	$ 91,324	$ 91,998

	December 31, 2014
Receivable from AIPL	$ 21,458
Payable to AIPL for Economic Benefit Transfer	(9,217)
Current deferred revenue related to Abacus data processing	(2,571)
Long-term deferred revenue related to Abacus data processing	(10,286)
Related party (payable) receivable, net	$ (616)

5. Goodwill and Intangible Assets

Changes in the carrying amount of goodwill during the years ended December 31, 2015 and 2014 are as follows (in thousands):

	Travel Network	Airline and Hospitality Solutions	Total Goodwill
Balance as of December 31, 2013	$ 1,812,686	$ 325,489	$ 2,138,175
Acquired	—	15,510	15,510
Adjustments[1]	(186)	—	(186)
Balance as of December 31, 2014	1,812,500	340,999	2,153,499
Acquired	287,349	—	287,349
Adjustments[1]	(269)	(148)	(417)
Balance as of December 31, 2015	$ 2,099,580	$ 340,851	$ 2,440,431

(1) Includes net foreign currency effects during the year.

The following table presents our intangible assets as of December 31, 2015 and 2014 (in thousands):

	December 31, 2015			December 31, 2014		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Acquired customer relationships	$ 978,763	$ (561,876)	$ 416,887	$ 705,963	$ (535,334)	$ 170,629
Trademarks and brand names	330,054	(99,814)	230,240	326,054	(87,554)	238,500
Reacquired rights	113,500	(8,267)	105,233	—	—	—
Purchased technology	403,524	(342,805)	60,719	469,599	(412,114)	57,485
Acquired contracts, supplier and distributor agreements	37,600	(15,494)	22,106	26,600	(15,000)	11,600
Non-compete agreements	15,025	(13,657)	1,368	15,025	(13,253)	1,772
Total intangible assets	$ 1,878,466	$ (1,041,913)	$ 836,553	$ 1,543,241	$ (1,063,255)	$ 479,986

In 2013, in conjunction with the disposal of TBiz (part of our Travelocity North America reporting unit) and Holidays Autos (part of our Travelocity Europe reporting unit), we initiated an impairment analysis on the remainder of the goodwill and long-lived assets associated with these reporting units. Further declines in our projections of the discounted future cash flows of these reporting units and current market participant considerations resulted in a $96 million goodwill impairment charge in Travelocity—North America and a $40 million goodwill impairment charge in Travelocity—Europe, which are included in net income (loss) from discontinued operations. As a result of these impairments, the Travelocity segment had no remaining goodwill.

Amortization expense relating to intangible assets subject to amortization totaled $107 million, $96 million and $129 million for the year ended December 31, 2015, 2014 and 2013, respectively. Estimated amortization expense related to intangible assets subject to amortization for each of the five succeeding years and beyond is as follows (in thousands):

2016	$ 126,409
2017	78,723
2018	61,292
2019	58,739
2020	57,130
2021 and thereafter	454,260
Total	$ 836,553

6. Balance Sheet Components

Prepaid Expenses and Other Current Assets

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

	December 31,	
	2015	2014
Prepaid Expenses	$ 46,177	$ 34,122
Value added tax receivable, net	28,830	24,940
Other	6,160	5,672
Prepaid Expenses and Other Current Assets	$ 81,167	$ 64,734

Property and Equipment, Net

Property and equipment, net consists of the following (in thousands):

	December 31,	
	2015	2014
Buildings and leasehold improvements	$ 141,070	$ 150,842
Furniture, fixtures and equipment	29,265	23,823
Computer equipment	321,001	305,877
Software developed for internal use	986,780	862,895
	1,478,116	1,343,437
Accumulated depreciation and amortization	(850,587)	(792,161)
Property and equipment, net	$ 627,529	$ 551,276

Other Assets, Net

Other assets, net consist of the following (in thousands):

	December 31,	
	2015	2014
Capitalized implementation costs, net	$ 206,429	$ 176,677
Deferred customer discounts	212,037	144,382
Deferred upfront incentive consideration	109,943	89,953
Other	113,805	74,127
Other assets, net	$ 642,214	$ 485,139

Other Noncurrent Liabilities

Other noncurrent liabilities consist of the following (in thousands):

	December 31,	
	2015	2014
Tax receivable agreement	$ 387,342	$ 387,342
Pension and other postretirement benefits	96,733	90,656
Deferred revenue	66,232	59,287
Litigation settlement liability and related deferred revenue	11,044	22,960
Other	94,742	53,465
Other noncurrent liabilities	$ 656,093	$ 613,710

Accumulated Other Comprehensive Income

Accumulated other comprehensive income consists of the following (in thousands):

	December 31,	
	2015	2014
Defined benefit pension and other postretirement benefit plans	$ (90,647)	$ (90,172)
Unrealized loss on foreign currency forward contracts, interest rate swaps and available-for-sale securities	(6,391)	(7,395)
Unrealized foreign currency translation gain	(97)	22,843
Other[(1)]	—	4,921
Total accumulated other comprehensive loss, net of tax	$ (97,135)	$ (69,803)

(1) Primarily related to our share of AIPL's accumulated other comprehensive income. See Note 4, Equity Method Investments.

The amortization of actuarial losses and periodic service credits associated with our retirement-related benefit plans is included in selling, general and administrative expenses. See Note 9, Derivatives, for information on the income statement line items affected as the result of reclassification adjustments associated with derivatives.

7. Income Taxes

The components of pretax income from continuing operations, generally based on the jurisdiction of the legal entity, were as follows:

	Year Ended December 31,		
	2015	2014	2013
Components of pre-tax income:			
Domestic	$ 262,682	$ 109,481	$ 86,908
Foreign	91,225	7,671	19,197
	$ 353,907	$ 117,152	$ 106,105

The provision for income taxes relating to continuing operations consists of the following:

	Year Ended December 31,		
	2015	2014	2013
Current portion:			
Federal	$ 1,730	$ —	$ 16,476
State and Local	(6,249)	(10,099)	10,817
Non U.S.	26,646	20,207	12,805
Total current	22,127	10,108	40,098
Deferred portion:			
Federal	89,682	(10,852)	13,239
State and Local	5,715	3,381	71
Non U.S.	1,828	3,642	631
Total deferred	97,225	(3,829)	13,941
Total provision for income taxes	$ 119,352	$ 6,279	$ 54,039

The provision for income taxes relating to continuing operations differs from amounts computed at the statutory federal income tax rate as follows:

	Year Ended December 31,		
	2015	2014	2013
Income tax provision at statutory federal income tax rate	$ 123,867	$ 41,003	$ 37,137
State income taxes, net of federal benefit	(1,263)	(3,224)	7,036
Impact of non U.S. taxing jurisdictions, net	13,966	30,476	13,153
Non-taxable gain on remeasurement of previously-held investment in Abacus	(27,279)	—	—
Research tax credit	(3,857)	(3,101)	(3,076)
Tax receivable agreement	—	22,982	—
Valuation allowance	3,010	(82,116)	—
Other, net	10,908	259	(211)
Total provision for income taxes	$ 119,352	$ 6,279	$ 54,039

The components of our deferred tax assets and liabilities are as follows:

	As of December 31,	
	2015	2014
Deferred tax assets:		
Accrued expenses	$ 33,823	$ 48,491
Employee benefits other than pension	29,726	22,969
Deferred revenue	57,197	58,779
Pension obligations	34,718	33,281
Tax loss carryforwards	295,329	420,765
Non U.S. operations	609	3,048
Incentive consideration	17,897	3,073
Tax credit carryforwards	36,897	32,879
Suspended loss	23,713	24,046
Other	8,314	11,177
Total deferred tax assets	538,223	658,508
Deferred tax liabilities:		
Depreciation and amortization	(24,938)	(9,381)
Software developed for internal use	(232,924)	(210,736)
Intangible assets	(189,600)	(85,374)
Write off of Intercompany Debt	(35,544)	(36,043)
Unrealized gains and losses	(13,622)	(20,759)
Currency translation adjustment	82	(12,189)
Total deferred tax liabilities	(496,546)	(374,482)
Valuation allowance	(80,775)	(160,092)
Net deferred tax (liability) asset	$ (39,098)	$ 123,934

In the fourth quarter of 2015, we adopted ASU 2015-17, Balance Sheet Classification of Deferred Taxes, on a retrospective basis and therefore classify all deferred tax assets and liabilities as noncurrent, net on a jurisdiction-by-jurisdiction basis, in our consolidated balance sheets as of December 31, 2015 and 2014. The adoption of ASU 2015-17 resulted in the reclassification of $182 million from current deferred tax assets of which $129 million increased noncurrent deferred tax assets and $54 million reduced noncurrent deferred tax liabilities in our consolidated balance sheet as of December 31, 2014.

We pay U.S. income taxes on the earnings of non-U.S. subsidiaries unless the subsidiaries' earnings are considered permanently reinvested outside the United States. To the extent that the non-U.S. earnings previously treated as permanently reinvested are repatriated, the related U.S. tax liability may be reduced by any non-U.S. income taxes paid on these earnings. As of December 31, 2015, no provision has been made for the United States federal and state income taxes on certain outside basis differences, which primarily relate to accumulated unrepatriated foreign earnings of approximately $235 million. It is not practicable to estimate the unrecognized deferred tax liability for these earnings, as this liability is dependent upon future tax planning strategies.

As of December 31, 2015, we had U.S. federal net operating loss carryforwards ("NOLs") of approximately $944 million, which will expire between 2020 and 2035. Approximately $251 million of the total net operating loss carryforwards is attributable to excess tax deductions related to employee stock awards, the benefit from which will be credited to additional paid-in capital when subsequently utilized in future years. Additionally, we have research tax credit carryforwards of approximately $26 million, which will expire between 2020 and 2035 and a $21 million Alternative Minimum Tax ("AMT") credit carry forward that does not expire. As a result of an ownership change during 2015 (as defined in Section 382 of the Internal Revenue Code (the "Code") which imposes an annual limit on the ability of a corporation to use certain tax attributes), all of the U.S. tax NOLs and credit carryforwards are subject to an annual limitation on their ability to be utilized. However, we expect that Section 382 will not limit our ability to fully realize the tax benefits. We had $80 million of deferred tax assets for NOL carryforwards related to certain non U.S. taxing jurisdictions that are primarily from countries with indefinite carryforward periods.

We regularly review our deferred tax assets for recoverability and a valuation allowance is provided when it is more likely than not that some portion or all of a deferred tax asset will not be realized. The ultimate realization of deferred tax assets is dependent upon future taxable income during the periods in which those temporary differences become deductible. In assessing the need for a valuation allowance for our deferred tax assets, we considered all available positive and negative evidence, including our ability to carry back operating losses to prior periods, the reversal of deferred tax liabilities, tax planning strategies and projected future taxable income. In assessing the need for a valuation allowance against our U.S. deferred tax assets, we also gave specific consideration to goodwill and intangible impairment charges recorded in the last three years (see Note 5, Goodwill and Intangible Assets) and the charges for the settlement of the litigation with AMR (see Note 16, Commitments and Contingencies). Considering these factors, we established and maintained a valuation allowance against our U.S. deferred tax assets which totaled $86 million as of December 31, 2013. At December 31, 2014, as a result of the sale of our Travelocity business and the forecast of income from continuing operations, we determined it was more likely than not that future earnings will be sufficient to utilize certain U.S. deferred tax assets. Accordingly, we reversed the U.S. valuation allowance resulting in a non-cash income tax benefit of $82 million. For non-U.S. deferred tax assets of our lastminute.com subsidiaries, we maintained a valuation allowance of $81 million and $160 million as of December 31, 2015 and 2014, respectively. We reassess these assumptions regularly which could cause an increase or decrease to the valuation allowance. This could result in an increase or decrease in the effective tax rate which could materially impact our results of operations.

It is our policy to recognize penalties and interest accrued related to income taxes as a component of the provision for income taxes. During the years ended December 31, 2015, 2014 and 2013, we recognized expense (benefit) of $3 million, $(3) million and $1 million, respectively. As of December 31, 2015 and 2014, we had cumulative accrued interest and penalties of approximately $17 million and $2 million, respectively.

A reconciliation of the beginning and ending amount of unrecognized tax benefits, excluding interest and penalties, is as follows:

	Year Ended December 31,		
	2015	2014	2013
Balance at beginning of year	$ 58,616	$ 61,241	$ 54,016
Additions for tax positions taken in the current year	8,252	4,565	10,874
Additions for tax positions of prior years	(786)	2,259	5,572
Additions for tax positions from acquisitions	11,343	—	—
Reductions for tax positions of prior years	(4,599)	(43)	(196)
Reductions for tax positions of expired statute of limitations	(3,456)	(2,439)	(3,573)
Settlements	(624)	(6,967)	(5,452)
Balance at end of year	$ 68,746	$ 58,616	$ 61,241

We present unrecognized tax benefits as a reduction to a deferred tax assets for net operating losses, similar tax loss or a tax credit carryforward that is available to settle additional income taxes that would result from the disallowance of a tax position, presuming disallowance at the reporting date. The amount of unrecognized tax benefits that were offset against deferred tax assets was $46 million and $40 million as of December 31, 2015 and 2014, respectively.

As of December 31, 2015, 2014, and 2013, the amount of unrecognized tax benefits that, if recognized, would impact the effective tax rate was $69 million, $56 million and $58 million, respectively. We believe that it is reasonably possible that $1 million in unrecognized tax benefits may be resolved in the next twelve months.

We are subject to U.S. federal income tax as well as income tax of multiple state, local, and non U.S. jurisdictions. In the normal course of business, we are subject to examination by taxing authorities throughout the world. In 2014, the Internal Revenue Service commenced the examination of our federal income tax returns for the 2011 and 2013 tax years. We do not expect that the results of this examination will have a material effect on our financial condition or results of operations. The U.S. federal statute of limitations is closed for years prior to 2007. With few exceptions, we are no longer subject to state, local, or non U.S. tax examinations by tax authorities for years prior to 2007.

Tax Receivable Agreement

Immediately prior to the closing of our initial public offering in April 2014, we entered into a tax receivable agreement ("TRA") that provides the right to receive future payments by us to stockholders and equity award holders that were our stockholders and equity award holders, respectively, immediately prior to the closing of our initial public offering (collectively, the "Pre-IPO Existing Stockholders"). The future payments will equal 85% of the amount of cash savings, if any, in U.S. federal income tax that we and our subsidiaries realize as a result of the utilization of certain tax assets attributable to periods prior to our initial public offering, including federal net operating losses ("NOLs"), capital losses and the ability to realize tax amortization of certain intangible assets (collectively, the "Pre-IPO Tax Assets"). Consequently, stockholders who are not Pre-IPO Existing Stockholders will only be entitled to the economic benefit of the Pre-IPO Tax Assets to the extent of our continuing 15% interest in those assets. These payment obligations are our obligations and not obligations of any of our subsidiaries. The actual utilization of the Pre-IPO Tax Assets, as well as the timing of any payments under the TRA, will vary depending upon a number of factors, including the amount, character and timing of our and our subsidiaries' taxable income in the future.

Based on current tax laws and assuming that we and our subsidiaries earn sufficient taxable income to realize the full tax benefits subject to the TRA, we estimate that future payments under the TRA relating to the Pre-IPO Tax Assets to total $387 million. The estimate of future payments considers the impact of Section 382 of the Code which imposes an annual limit on the ability of a corporation that undergoes an ownership change to use its net operating loss carryforwards to reduce its liability. We do not anticipate any material limitations on our ability to utilize NOLs under Section 382 of the Code. We expect future payments under the TRA to be made over the next five years with no material payments occurring before 2017. Payments under the TRA are not conditioned upon the parties' continuing ownership of the company. The TRA liability of $387 million as of December 31, 2015 is included in other noncurrent liabilities in our consolidated balance sheet.

We recognized an initial liability in respect of the TRA of $321 million after considering the valuation allowance of $66 million recorded against the Pre-IPO Tax Assets for the payments to be made under the TRA. The TRA liability was recorded as a reduction to additional paid-in capital and an increase to other noncurrent liabilities. No payments have been made under the TRA during the years ended December 31, 2015 and 2014. Any payments made under the TRA will be classified as a financing activity in our statement of cash flows. Changes in the utility of the Pre-IPO Tax Assets will impact the amount of the liability recorded in respect of the TRA. Changes in the utility of these Pre-IPO Tax Assets are recorded in income tax expense and any changes in the obligation under the TRA are recorded in other expense. In connection with the change in our valuation allowance and corresponding increase in our TRA liability to $387 million, we recognized a $66 million charge in other, net in the fourth quarter of 2014. There were no changes to the TRA liability during the year ended December 31, 2015.

8. Debt

As of December 31, 2015 and 2014, our outstanding debt included in our consolidated balance sheets totaled $3,360 million and $3,062 million, respectively, net of debt issuance costs of $30 million and $21 million, respectively, and unamortized discounts of $6 million and $13 million, respectively. The following table sets forth the face values of our outstanding debt as of December 31, 2015 and 2014 (in thousands):

			December 31,	
	Rate	Maturity	2015	2014
Senior secured credit facilities:				
Term Loan B	L + 3.00%	February 2019	$ 1,721,750	$ 1,739,500
Incremental term loan facility	L + 3.00%	February 2019	342,125	345,625
Term Loan C	L + 2.50%	December 2017	49,313	49,313
Revolver, $370 million	L + 3.25%	February 2019	—	—
Revolver, $35 million	L + 3.25%	February 2018	—	—
Senior unsecured notes due 2016	8.35%	March 2016	165,000	400,000
Senior secured notes due 2019	8.50%	May 2019	—	480,000
5.375% senior secured notes due 2023	5.375%	April 2023	530,000	—
5.25% senior secured notes due 2023	5.25%	November 2023	500,000	—
Mortgage facility	5.80%	March 2017	80,984	82,168
Capital lease obligations			6,502	—
Face value of total debt outstanding			3,395,674	3,096,606
Less current portion of debt outstanding			(190,687)	(22,435)
Face value of long-term debt outstanding			$ 3,204,987	$ 3,074,171

In the fourth quarter of 2015, we adopted ASU 2015-03, Simplifying the Presentation of Debt Issuance Costs, and therefore present debt issuance costs as a reduction to long-term debt in our consolidated balance sheets as of December 31, 2015 and 2014. Debt issuance costs are amortized to interest expense over the term of the associated debt arrangement.

Senior Secured Credit Facilities

Our senior secured credit facilities, as amended ("Amended and Restated Credit Agreement"), consist of term loans of $1,775 million ("Term Loan B"), $350 million ("Incremental Term Loan Facility") and $425 million (the "Term Loan C"). The Amended and Restated Credit Agreement also provides for a revolving credit facility totaling $405 million, of which $370 million expires in February 2019 ("Extended Revolver") and $35 million expires in February 2018 ("Unextended Revolver," collectively, the "Revolver"). We had no outstanding balance under the Extended or Unextended Revolver as of December 31, 2015 and 2014. We had outstanding letters of credit totaling $25 million and $47 million as of December 31, 2015 and 2014, respectively, which reduce our overall credit capacity under the Revolver.

Sabre GLBL obligations under the Amended and Restated Credit Agreement are guaranteed by Sabre Holdings and each of Sabre GLBL's wholly-owned material domestic subsidiaries, except unrestricted subsidiaries. We refer to these guarantors together with Sabre GLBL, as the Loan Parties. The Amended and Restated Credit Agreement is secured by (i) a first priority security interest on the equity interests in Sabre GLBL and each other Loan Party that is a direct subsidiary of Sabre GLBL or another Loan Party, (ii) 65% of the issued and outstanding voting (and 100% of the non-voting) equity interests of each wholly-owned material foreign subsidiary of Sabre GLBL that is a direct subsidiary of Sabre GLBL or another Loan Party, and (iii) a blanket lien on substantially all of the tangible and intangible assets of the Loan Parties.

Under the Amended and Restated Credit Agreement, the Loan Parties are subject to certain customary non-financial covenants, as well as a maximum Senior Secured Leverage Ratio, which applies if our Revolver utilization exceeds certain thresholds and is calculated as Senior Secured Debt (net of cash) to EBITDA, as defined by the agreement. This ratio was 5.0 to 1.0 for 2014 and is 4.5 to 1.0 for 2015. The definition of EBITDA is based on a trailing twelve months EBITDA adjusted for certain items including non-recurring expenses and the pro forma impact of cost saving initiatives. As of December 31, 2015, we are in compliance with all covenants under the Amended and Restated Credit Agreement.

Principal Payments

Term Loan B and the Incremental Term Loan Facility mature on February 19, 2019, and require principal payments in equal quarterly installments of 0.25%. Term Loan C matures on December 31, 2017. As a result of the April 2014 prepayment, quarterly principal payments on Term Loan C are no longer required. We are obligated to pay $17 million on September 30, 2017 and the remaining balance on December 31, 2017. For the year ended December 31, 2015, we made $21 million of principal payments.

We are also required to pay down the term loans by an amount equal to 50% of annual excess cash flow, as defined in our Amended and Restated Credit Agreement. This percentage requirement may decrease or be eliminated if certain leverage ratios are achieved. Based on our results for the year ended December 31, 2015, we are not required to make an excess cash flow payment in 2016. In the event of certain asset sales or borrowings, the Amended and Restated Credit Agreement requires that we pay down the term loans with the resulting proceeds. Subject to the repricing premium discussed above, we may repay the indebtedness at any time prior to the maturity dates without penalty.

Interest

Borrowings under the Amended and Restated Credit Agreement bear interest at a rate equal to either, at our option: (i) the Eurocurrency rate plus an applicable margin for Eurocurrency borrowings as set forth below, or (ii) a base rate determined by the highest of (1) the prime rate of Bank of America, (2) the federal funds effective rate plus 1/2% or (3) LIBOR plus 1.00%, plus an applicable margin for base rate borrowings as set forth below. The Eurocurrency rate is based on LIBOR for all U.S. dollar borrowings and has a floor. We have elected the three-month LIBOR as the floating interest rate on all of our outstanding term loans. Interest payments are due on the last day of each quarter. Interest on a portion of the outstanding loan is hedged with interest rate swaps (see Note 9, Derivatives).

	Eurocurrency borrowings		Base rate borrowings	
	Applicable Margin[1]	Floor	Applicable Margin	Floor
Term Loan B, prior to Repricing Amendments	4.00%	1.25%	3.00%	2.25%
Term Loan B, subsequent to Repricing Amendments	3.25%	1.00%	2.25%	2.00%
Incremental term loan facility	3.50%	1.00%	2.50%	2.00%
Term Loan C	3.00%	1.00%	2.00%	2.00%
Revolver, $370 million	3.00%	N/A	2.00%	N/A
Revolver, $35 million	3.75%	N/A	2.75%	N/A

(1) Applicable margins do not reflect potential step downs which are determined by the Senior Secured Leverage Ratio. See below for additional information.

Applicable margins for Term Loan B and the Extended Revolver step down 25 basis points for any quarter if the Senior Secured Leverage Ratio is less than or equal to 3.25 to 1.00. Applicable margins for all other borrowings under the Amended and Restated Credit Agreement step down by 50 basis points for any quarter if the Senior Secured Leverage Ratio is less than or equal to 3.0 to 1.0. Applicable margins increase to maintain a difference of not more than 50 basis points relative to future term loan extensions or refinancings. In addition, we are required to pay a quarterly commitment fee of 0.375% per annum for unused revolving commitments. The commitment fee may increase to 0.5% per annum if the Senior Secured Leverage Ratio is greater than 4.0 to 1.0.

Our effective interest rates on borrowings under the Amended and Restated Credit Agreement for the years ended December 31, 2015, 2014 and 2013, inclusive of amounts charged to interest expense, are as follows:

	Year Ended December 31,		
	2015	2014	2013
Including the impact of interest rate swaps	4.48%	5.43%	6.86%
Excluding the impact of interest rate swaps	4.48%	4.89%	6.21%

Extinguishments and Amendments

In April 2014, we completed an initial public offering of our common stock and utilized the net proceeds to repay (i) $296 million aggregate principal amount of our Term Loan C and (ii) $320 million aggregate principal amount of our senior secured notes due 2019 (“2019 Notes”) at a redemption price of 108.5% of the principal amount. As a result of the prepayments on Term Loan C and the 2019 Notes, we recorded an extinguishment loss of $31 million which includes a $27 million redemption premium on the 2019 Notes.

In February 2014, we entered into a series of amendments to our Amended and Restated Credit Agreement ("Repricing Amendments") which, among other amendments, reduced the applicable interest margins for Term Loan B and certain portions of the Revolver. The Repricing Amendments also extended the maturity date of the Extended Revolver and increased the availability under the Revolver from $352 million to $405 million. As a result of the Repricing Amendments, we recorded a $3 million loss on the extinguishment of debt.

In 2013, we amended and restated our senior secured credit facilities to replace our then existing initial term loans with new classes of term loans. We also entered into an agreement for an incremental term loan facility to Term Loan B which provided total net proceeds of $350 million due February 2019. As a result of the amendment and restatement of our senior secured credit facilities, we recorded a loss on extinguishment of debt of $12 million.

Senior Secured Notes due 2023

In April 2015, we issued $530 million senior secured notes due in April 2023 with a stated interest rate of 5.375% and received proceeds of $522 million, net of underwriting fees and commissions. We used the proceeds to redeem all of the $480 million principal of the 2019 Notes, pay the 6.375% redemption premium of $31 million and a make whole premium of $2 million, resulting in an extinguishment loss of $33 million. The remaining proceeds, combined with cash on hand, were used to pay accrued but unpaid interest of $19 million.

In November 2015, we issued $500 million senior secured notes due in 2023 with a stated interest rate of 5.25%. The net proceeds of $494 million, net of underwriting fees and commissions, were used to repay $235 million of the $400 million 2016 Notes (as defined below), pay a $5 million make-whole premium on the 2016 Notes and pay $5 million of accrued but unpaid interest. In addition, we used the net proceeds to repurchase 3,400,000 shares of our common stock totaling $99 million. The excess net proceeds, together with cash on hand, were applied to fund the acquisition of the Trust Group, which was completed in January 2016. As a result of the prepayment on the 2016 Notes, we recorded an extinguishment loss of $6 million, which includes $1 million of unamortized discount and the make-whole premium.

The senior secured notes due 2023 were issued by Sabre GLBL and are guaranteed by Sabre Holdings and each of Sabre GLBL's existing and subsequently acquired or organized subsidiaries that are borrowers under or guarantors of our senior secured credit facilities. The senior secured notes due 2023 are secured by a first priority security interest in substantially all present and after acquired property and assets of Sabre GLBL and the guarantors of the notes, which also constitutes collateral securing indebtedness under our senior secured facilities on a first priority basis.

Senior Unsecured Notes due 2016

As of December 31, 2015, we have, at face value, $165 million in senior unsecured notes currently bearing interest at a rate of 8.35% and maturing on March 15, 2016 ("2016 Notes"). In December 2015, we repaid $235 million in aggregate principal on the 2016 Notes with proceeds from the issuance of the 5.25% senior secured notes due in 2023. The 2016 Notes include certain non-financial covenants, including restrictions on incurring certain types of debt, entering into certain sale and leaseback transactions. We issued the 2016 Notes in March 2006 and used all of the net proceeds plus available cash and cash equivalents and marketable securities to prepay $400 million of a bridge facility used to finance the acquisition of lastminute.com. As of December 31, 2015, we are in compliance with all covenants under the indenture for the 2016 Notes.

Mortgage Facility

We have $81 million outstanding under a mortgage facility for the buildings, land and furniture and fixtures located at our headquarters facilities in Southlake, Texas. The mortgage facility bears interest at a rate of 5.7985% per annum and matures on April 1, 2017. The mortgage facility includes certain customary non-financial covenants, including restrictions on incurring liens other than permitted liens, dissolving the borrower or changing our business, forgiving debt, changing our principal place of business and transferring the property. As of December 31, 2015, we are in compliance with all covenants under the mortgage facility.

Aggregate Maturities

As of December 31, 2015, aggregate maturities of our long-term debt were as follows (in thousands):

	Amount
Years Ending December 31,	
2016	$ 190,687
2017	152,095
2018	21,745
2019	2,000,191
2020	956
Thereafter	1,030,000
Total	$ 3,395,674

9. Derivatives

Hedging Objectives—We are exposed to certain risks relating to ongoing business operations. The primary risks managed by using derivative instruments are foreign currency exchange rate risk and interest rate risk. Forward contracts on various foreign currencies are entered into to manage the foreign currency exchange rate risk on operational exposure denominated in foreign currencies. Interest rate swaps are entered into to manage interest rate risk associated with our floating-rate borrowings. In accordance with authoritative guidance on accounting for derivatives and hedging, we designate foreign currency forward contracts as cash flow hedges on operational exposure and interest rate swaps as cash flow hedges of floating-rate borrowings.

Cash Flow Hedging Strategy—To protect against the reduction in value of forecasted foreign currency cash flows, we hedge portions of our revenues and expenses denominated in foreign currencies with forward contracts. For example, when the dollar strengthens significantly against the foreign currencies, the decline in present value of future foreign currency expense is offset by losses in the fair value of the forward contracts designated as hedges. Conversely, when the dollar weakens, the increase in the present value of future foreign currency expense is offset by gains in the fair value of the forward contracts.

We enter into interest rate swap agreements to manage interest rate risk exposure. The interest rate swap agreements modify our exposure to interest rate risk by converting floating-rate debt to a fixed rate basis, thus reducing the impact of interest rate changes on future interest expense and net earnings. These agreements involve the receipt of floating rate amounts in exchange for fixed rate interest payments over the life of the agreements without an exchange of the underlying principal amount.

For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the gain or loss on the derivative instrument is reported as a component of other comprehensive income (loss) (“OCI”) and reclassified into earnings in the same line item associated with the forecasted transaction and in the same period or periods during which the hedged transaction affects earnings. The remaining gain or loss on the derivative instrument in excess of the cumulative change in the present value of future cash flows of the hedged item, if any (ineffective portion), and hedge components excluded from the assessment of effectiveness, are recognized in the consolidated statements of operations during the current period. Derivatives not designated as hedging instruments are carried at fair value with changes in fair value reflected in the consolidated statement of operations.

Forward Contracts—In order to hedge our operational exposure to foreign currency movements, we are a party to certain foreign currency forward contracts that extend until December 2016. We have designated these instruments as cash flow hedges. No hedging ineffectiveness was recorded in earnings relating to the forward contracts during the years ended December 31, 2015, 2014 and 2013. As of December 31, 2015, we estimate that $2 million in losses will be reclassified from other comprehensive income (loss) to earnings as the outstanding contracts settle.

As of December 31, 2015 and 2014, we had the following unsettled purchased foreign currency forward contracts that were entered into to hedge our operational exposure to foreign currency movements (in thousands, except for average contract rates):

December 31, 2015 Outstanding Notional Amount

Buy Currency	Sell Currency	Foreign Amount	USD Amount	Average Contract Rate
US Dollar	Australian Dollar	2,080	1,570	0.7548
US Dollar	Euro	2,870	3,169	1.1042
Australian Dollar	US Dollar	1,260	939	0.7452
Euro	US Dollar	2,870	3,122	1.0878
British Pound Sterling	US Dollar	18,075	27,415	1.5167
Indian Rupee	US Dollar	1,880,500	27,736	0.0147
Polish Zloty	US Dollar	226,500	59,120	0.2610

December 31, 2014 Outstanding Notional Amount

Buy Currency	Sell Currency	Foreign Amount	USD Amount	Average Contract Rate
US Dollar	Australian Dollar	6,750	5,838	0.8649
Euro	US Dollar	30,200	38,777	1.2840
British Pound Sterling	US Dollar	22,950	37,343	1.6271
Indian Rupee	US Dollar	1,205,000	18,748	0.0156
Polish Zloty	US Dollar	171,000	52,821	0.3089

Interest Rate Swap Contracts—Interest rate swaps outstanding and matured during the years ended December 31, 2015, 2014 and 2013 are as follows:

	Notional Amount	Interest Rate Received	Interest Rate Paid	Effective Date	Maturity Date
Outstanding:	$750 million	1 month LIBOR	1.48%	December 31, 2015	December 30, 2016
	$750 million	1 month LIBOR	2.19%	December 30, 2016	December 29, 2017
	$750 million	1 month LIBOR	2.61%	December 29, 2017	December 31, 2018
Matured:	$400 million	1 month LIBOR	2.03%	July 29, 2011	September 30, 2014
	$350 million	1 month LIBOR	2.51%	April 30, 2012	September 30, 2014

In December 2014, we entered into eight forward starting interest rate swaps to hedge interest payments associated with $750 million of floating-rate liabilities on the notional amounts of a portion of our senior secured debt. We have designated these interest rate swaps as cash flow hedges. The total notional amount outstanding is $750 million in each of 2015, 2016 and 2017. There was no material hedge ineffectiveness for the year ended December 31, 2015. The effective portion of changes in the fair value of the interest rate swaps is reported as a component of other comprehensive income (loss) and reclassified into earnings in the same line item associated with the forecasted transaction and in the same period or periods during which the hedged transaction affects earnings. The fair value of these interest rate swaps is a $14 million liability at December 31, 2015, of which $4 million is included in other current liabilities and $10 million is included in other noncurrent liabilities in our consolidated balance sheet.

In January 2013, our then outstanding swaps, which matured on September 30, 2014, were not designated in a cash flow hedging relationship because we no longer qualified for hedge accounting treatment following the amendment and restatement of our senior secured credit facility in February 2013 (see Note 8, Debt). Derivatives not designated as hedging instruments are carried at fair value with changes in fair value recognized in the consolidated statements of operations. The adjustments to fair value of our matured interest rate swaps for the years ended December 31, 2014 and 2013 were not material to our results of operations. For the years ended December 31, 2014 and 2013, we reclassified losses of $11 million ($7 million, net of tax) and $15 million ($9 million, net of tax), respectively, from OCI to interest expense related to the derivatives that no longer qualified for hedge accounting.

The estimated fair values of our derivatives designated as hedging instruments as of December 31, 2015 and 2014 are as follows (in thousands):

		Derivative Liabilities	
		Fair Value as of December 31,	
Derivatives Designated as Hedging Instruments	Consolidated Balance Sheet Location	2015	2014
Foreign exchange contracts	Other accrued liabilities	$ 1,759	$ 8,475
Interest rate swaps	Other accrued liabilities	3,912	—
Interest rate swaps	Other noncurrent liabilities	9,822	1,401
		$ 15,493	$ 9,876

The effects of derivative instruments, net of taxes, on OCI for the years ended December 31, 2015, 2014 and 2013 are as follows (in thousands):

	Amount of (Loss) Gain Recognized in OCI on Derivative, Effective Portion		
	Year Ended December 31,		
Derivatives in Cash Flow Hedging Relationships	2015	2014	2013
Foreign exchange contracts	$ (5,505)	$ (7,836)	$ 2,999
Interest rate swaps	(7,939)	(961)	—
Total (loss) gain	$ (13,444)	$ (8,797)	$ 2,999

		Amount of Gain (Loss) Reclassified from Accumulated OCI into Income, Effective Portion		
		Year Ended December 31,		
Derivatives in Cash Flow Hedging Relationships	Income Statement Location	2015	2014	2013
Foreign exchange contracts	Cost of revenue	$ 10,646	$ 2,902	$ 915

10. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market for that asset or liability. Guidance on fair value measurements and disclosures establishes a valuation hierarchy for disclosure of inputs used in measuring fair value defined as follows:

Level 1—Inputs are unadjusted quoted prices that are available in active markets for identical assets or liabilities.

Level 2—Inputs include quoted prices for similar assets and liabilities in active markets and quoted prices in non-active markets, inputs other than quoted prices that are observable, and inputs that are not directly observable, but are corroborated by observable market data.

Level 3—Inputs that are unobservable and are supported by little or no market activity and reflect the use of significant management judgment.

The classification of a financial asset or liability within the hierarchy is determined based on the least reliable level of input that is significant to the fair value measurement. In determining fair value, we utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. We also consider the counterparty and our own non-performance risk in our assessment of fair value.

Assets and Liabilities that are Measured at Fair Value on a Recurring Basis

Available-for-sale Securities—We acquired equity securities of a publicly-traded non-U.S. entity as part of our acquisition of AIPL. The fair value of our available-for-sale securities is obtained from market quotes as of the last day of the period. Our available-for-sale securities are included in other assets in our consolidated balance sheets.

Foreign Currency Forward Contracts—The fair value of the foreign currency forward contracts was estimated based upon pricing models that utilize Level 2 inputs derived from or corroborated by observable market data such as currency spot and forward rates.

Interest Rate Swaps—The fair value of our interest rate swaps are estimated using a combined income and market-based valuation methodology based upon Level 2 inputs including credit ratings and forward interest rate yield curves obtained from independent pricing services reflecting broker market quotes.

Pension Plan Assets—See Note 14, Pension and Other Postretirement Benefit Plans, for fair value information on our pension plan assets.

The following tables present the fair value of our assets (liabilities) that are required to be measured at fair value on a recurring basis as of December 31, 2015 and 2014 (in thousands):

		Fair Value at Reporting Date Using		
	December 31, 2015	Level 1	Level 2	Level 3
Available-for-sale securities	$ 36,711	$ 36,711	$ —	$ —
Derivatives:				
Foreign currency forward contracts	(1,759)	—	(1,759)	—
Interest rate swap contracts	(13,734)	—	(13,734)	—
Total	$ 21,218	$ 36,711	$ (15,493)	$ —

		Fair Value at Reporting Date Using		
	December 31, 2014	Level 1	Level 2	Level 3
Derivatives:				
Foreign currency forward contracts	$ (8,475)	$ —	$ (8,475)	$ —
Interest rate swap contracts	(1,401)	—	(1,401)	—
Total	$ (9,876)	$ —	$ (9,876)	$ —

There were no transfers between Levels 1 and 2 within the fair value hierarchy for the years ended December 31, 2015 and 2014.

Assets that are Measured at Fair Value on a Nonrecurring Basis

As described in Note 1, Summary of Business and Significant Accounting Policies, our impairment review of goodwill is performed annually, as of October 1 of each year. In addition, goodwill, property and equipment and intangible assets are reviewed for impairment if events and circumstances indicate that their carrying amounts may not be recoverable.

The fair values used in our goodwill impairment analysis are estimated using a combined approach based upon discounted future cash flow projections and observed market multiples for comparable businesses. The cash flow projections are based upon Level 3 inputs, including risk adjusted discount rates, future booking and transaction volume levels, future price levels, rates of growth in our consumer and corporate direct booking businesses, rates of increase in operating expenses, cost of revenue and taxes. Additionally, in accordance with authoritative guidance on fair value measurements, we made a number of assumptions including market participants, the principal markets and highest and best use of the reporting units. In 2013, goodwill associated our discontinued Travelocity segment was impaired to a fair value of zero. See Note 5, Goodwill and Intangible Assets, for impairment charges recognized in the years ended December 31, 2013 and a discussion of circumstance which led to the impairments.

Other Financial Instruments

The carrying value of our financial instruments including cash and cash equivalents, and accounts receivable approximates their fair values. The fair values of our senior unsecured notes due 2016, senior secured notes due 2019, senior secured notes due 2023 and term loans under our Amended and Restated Credit Agreement are determined based on quoted market prices for the identical liability when traded as an asset in an active market, a Level 1 input. The outstanding principal balance of our mortgage facility approximated its fair value as of December 31, 2015 and 2014. The fair values of the mortgage facility were determined based on estimates of current interest rates for similar debt, a Level 2 input.

The following table presents the fair value and carrying value of all our notes and term loans under our Amended and Restated Credit Agreement as of December 31, 2015 and 2014 (in thousands):

Financial Instrument	Fair Value at December 31,		Carrying Value at December 31,	
	2015	2014	2015	2014
Term Loan B	$ 1,705,609	$ 1,718,843	$ 1,716,048	$ 1,732,101
Incremental term loan facility	339,559	341,737	342,125	345,625
Term Loan C	49,251	48,758	49,157	49,080
Senior unsecured notes due 2016	165,804	426,250	164,628	393,973
Senior secured notes due 2019	—	516,300	—	480,741
5.375% senior secured notes due 2023	528,013	—	530,000	—
5.25% senior secured notes due 2023	494,375	—	500,000	—

11. Redeemable Preferred Stock and Stockholders' Equity

Initial and Secondary Public Offerings

On April 23, 2014, we closed our initial public offering of our common stock in which we sold 39,200,000 shares, and on April 25, 2014, the underwriters exercised in full their overallotment option which resulted in the sale of an additional 5,880,000 shares of our common stock. Our shares of common stock were sold at an initial public offering price of $16.00 per share, which generated $672 million of net proceeds from the offering after deducting underwriting discounts and commissions and offering expenses.

We used the net proceeds from this offering to repay (i) $296 million aggregate principal amount of our term loans and (ii) $320 million aggregate principal amount of our senior secured notes due in 2019 at a redemption price of 108.5% of the principal amount. We also used the net proceeds from our offering to pay the $27 million redemption premium and $13 million in accrued but unpaid interest on the senior secured notes due in 2019. We used the remaining portion of the net proceeds from our offering to pay a $21 million fee, in the aggregate, to TPG Global, LLC ("TPG") and Silver Lake Management Company ("Silver Lake") pursuant to a management services agreement (the "MSA"), which was thereafter terminated.

During the year ended December 31, 2015, certain of our stockholders sold an aggregate of 103,970,000 shares of our common stock through secondary public offerings. In connection with one of these offerings, we repurchased 3,400,000 shares totaling $99 million from the underwriter of the offering. We did not receive any proceeds from the secondary public offerings.

Redeemable Preferred Stock

Prior to the closing of our initial public offering, we amended our Certificate of Incorporation and exercised our right to redeem all of our Series A Cumulative Preferred Stock. The amendment to our Certificate of Incorporation modified the redemption feature of the Series A Cumulative Preferred Stock to allow for settlement using cash, shares of our common stock or a mix of cash and shares of our common stock. Upon the closing of our initial public offering, we redeemed all of our outstanding shares of Series A Cumulative Preferred Stock, including accumulated but unpaid dividends, in exchange for 40,343,529 shares of our common stock, which were delivered pro rata to the holders thereof. Each share of Series A Preferred Stock accumulated dividends at an annual rate of 6%. No cash dividends were paid since the inception of the Series A Preferred Shares.

Common Stock Dividends

During the year ended December 31, 2015, we paid a quarterly cash dividend of $0.09 per share of our common stock totaling $99 million. In the six months ended December 31, 2014, we paid a quarterly cash dividend of $0.09 per share of our common stock totaling $48 million. No dividends were declared or paid in the six months ended June 30, 2014 or in the year ended December 31, 2013.

12. Equity-Based Awards

As of December 31, 2015, our outstanding equity-based compensation plans and agreements include the Sovereign Holdings, Inc. Management Equity Incentive Plan ("Sovereign MEIP"), the Sovereign Holdings, Inc. 2012 Management Equity Incentive Plan ("Sovereign 2012 MEIP") and the Sabre Corporation 2014 Omnibus Incentive Compensation Plan (the "2014 Omnibus Plan"). Our 2014 Omnibus Plan serves as successor to the Sovereign MEIP and Sovereign 2012 MEIP and provides for the issuance of stock options, restricted shares, restricted stock units ("RSUs"), performance-based RSU awards ("PSUs"), cash incentive compensation and other stock-based awards. Outstanding awards under the Sovereign MEIP and Sovereign 2012 MEIP continue to be subject to the terms and conditions of their respective plan.

We initially reserved 13,500,000 shares of our common stock for issuance under our 2014 Omnibus Plan. In addition, we added 2,956,465 shares that were reserved but not issued under the Sovereign MEIP and Sovereign 2012 MEIP plans to the 2014 Omnibus Plan reserves, for a total of 16,456,465 authorized shares of common stock for issuance. Time-based options granted under the 2014 Omnibus plan generally vest over a four year period with 25% vesting at the end of year one and the remaining vest quarterly thereafter. RSUs generally vest over a four year period with 25% vesting annually. PSUs generally vest over a four year period with 25% vesting annually dependent upon the achievement of certain company-based performance measures. Each reporting period, we assess the probability assumption and, if there is an adjustment, record the cumulative effect of the adjustment in the current reporting period. Options granted are exercisable up to 10 years. Stock-based compensation expense totaled $30 million, $20 million and $3 million for the years ended December 31, 2015, 2014 and 2013, respectively.

Cash incentive compensation under the 2014 Omnibus Plan is provided through the Long-Term Stretch Program ("LTSP") for certain senior executives and key employees. The LTSP provides for cash incentive compensation if certain company-based performance measures are achieved over the three-year period ending December 31, 2017. If these performance measures are achieved, the cash incentive to be received by the participants is determined in part by the average closing price of our common stock in January 2018. As of December 31, 2015, we do not consider the achievement of the performance measures to be probable and therefore have not accrued any amounts associated with the LTSP.

The fair value of the stock options granted was estimated at the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions:

	Year Ended December 31,		
	2015	2014	2013
Exercise price	$ 22.64	$ 16.82	$ 11.91
Average risk-free interest rate	1.75%	1.96%	1.53%
Expected life (in years)	6.11	6.11	6.11
Implied volatility	27.29%	33.28%	30.75%
Dividend yield	1.60%	2.14%	—

The following table summarizes the stock option award activities under our outstanding equity based compensation plans and agreements for the year ended December 31, 2015.

		Weighted-Average		
	Quantity	Exercise Price	Remaining Contractual Term (years)	Aggregate Intrinsic Value (in thousands) [1]
Outstanding at December 31, 2014[2]	18,906,474	$ 7.53	5.1	$ 240,947
Granted	1,107,952	22.64		
Exercised	(9,893,143)	5.45		
Cancelled	(155,751)	12.26		
Outstanding at December 31, 2015[2]	9,965,532	$ 11.19	6.4	$ 167,279
Vested and exercisable at December 31, 2015	6,242,589	$ 8.04	5.2	$ 124,425

(1) Aggregate intrinsic value is calculated as the difference between the exercise price of the underlying stock options awards and the closing price of our common stock of $27.97 on December 31, 2015.

(2) Includes performance-based stock options granted in 2008 under the Sovereign MEIP. The vesting of these performance-based stock options was contingent upon a liquidity event which occurred in the first quarter of 2015. As a result of the liquidity event, we recognized expense of $3 million during the year ended December 31, 2015.

For the years ended December 31, 2015, 2014 and 2013, the total intrinsic value of stock options exercised totaled $199 million, $53 million and $9 million, respectively. The weighted-average fair values of options grants were $5.50, $4.65, and $3.89 during the years ended December 31, 2015, 2014 and 2013, respectively. As of December 31, 2015, we have $15 million in unrecognized compensation expense associated with stock options that will be recognized over a weighted-average period of 2.02 years.

The following table summarizes the activities for our RSUs for the year ended December 31, 2015.

	Quantity	Weighted-Average Grant Date Fair Value
Unvested at December 31, 2014	1,730,862	$ 16.58
Granted	730,982	24.57
Vested	(443,666)	16.51
Cancelled	(120,227)	18.02
Unvested at December 31, 2015	1,897,951	$ 19.58

The total fair value of RSUs vested, as of their respective vesting dates, was $10 million, $3 million, and $1 million during the years ended December 31, 2015, 2014 and 2013, respectively. As of December 31, 2015, we have approximately $19 million in unrecognized compensation expense associated with RSUs that will be recognized over a weighted average period of 2.9 years.

The following table summarizes the activities for our PSUs for the year ended December 31, 2015.

	Quantity	Weighted-Average Grant Date Fair Value
Unvested at December 31, 2014	1,696,907	$ 13.65
Granted	985,645	22.15
Vested	(508,417)	13.34
Cancelled	(54,219)	15.94
Unvested at December 31, 2015	2,119,916	$ 17.63

The total fair value of PSUs vested, as of their respective vesting dates, was $11 million and $6 million during the years ended December 31, 2015 and 2014, respectively. There were no PSUs that vested during the year ended December 31, 2013. The recognition of compensation expense associated with PSUs is contingent upon the achievement of annual company-based performance measures. As of December 31, 2015, we had unrecognized compensation expense associated with PSUs of $12 million, $8 million and $5 million for the annual measurement periods ending December 31, 2016, 2017 and 2018, respectively.

Cancelled Travelocity Plans—During the years 2010 through 2012, we adopted various equity-based compensation plans associated with the equity of Travelocity.com LLC, a subsidiary related to our discontinued Travelocity segment. Under these plans, time-based stock options and stock appreciation rights ("SARs") were granted to certain key employees of the discontinued Travelocity segment. There were 1,484,530 and 18,119,884 of time-based stock options and SARs, respectively, outstanding under these plans as of December 31, 2013, all of which were cancelled in the second quarter of 2014. We recognized $7 million of expense at the cancellation date, representing the remaining unrecognized compensation expense of the awards, which is included in net income (loss) from discontinued operations. During the year ended December 31, 2013, we recognized $4 million of expense associated with these plans which is included in results of discontinued operations.

13. Earnings Per Share

The following table reconciles the numerators and denominators used in the computations of basic and diluted earnings per share from continuing operations (in thousands, expect per share data):

	Year Ended December 31,		
	2015	2014	2013
Numerator:			
Income from continuing operations	$ 234,555	$ 110,873	$ 52,066
Net income attributable to noncontrolling interests	3,481	2,732	2,863
Preferred stock dividends	—	11,381	36,704
Net income from continuing operations available to common stockholders, basic and diluted	$ 231,074	$ 96,760	$ 12,499
Denominator:			
Basic weighted-average common shares outstanding	273,139	238,633	178,125
Dilutive effect of stock options and restricted stock awards	6,928	8,114	6,853
Diluted weighted-average common shares outstanding	280,067	246,747	184,978
Basic earnings per share	$ 0.85	$ 0.41	$ 0.07
Diluted earnings per share	$ 0.83	$ 0.39	$ 0.07

Basic earnings per share are based on the weighted-average number of common shares outstanding during each period. Diluted earnings per share are based on the weighted-average number of common shares outstanding plus the effect of all dilutive common stock equivalents during each period. The calculation of diluted weighted-average shares excludes the impact of 1 million common stock equivalents for each of the years ended December 31, 2015 and 2014. There were no common stock equivalents excluded in the calculation of diluted weighted-average shares for the year ended December 31, 2013.

14. Pension and Other Postretirement Benefit Plans

We sponsor the Sabre Inc. 401(k) Savings Plan (“401(k) Plan”), which is a tax qualified defined contribution plan that allows tax deferred savings by eligible employees to provide funds for their retirement. We make a matching contribution equal to 100% of each pre-tax dollar contributed by the participant on the first 6% of eligible compensation. We recognized expenses related to the 401(k) Plan of $20 million, $18 million and $18 million for the years ended December 31, 2015, 2014 and 2013, respectively.

We sponsor the Sabre Inc. Legacy Pension Plan (“LPP”), which is a tax qualified defined benefit pension plan for employees meeting certain eligibility requirements. The LPP was amended to freeze pension benefit accruals as of December 31, 2005, and as a result, no additional pension benefits have been accrued since that date. In April 2008, we amended the LPP to add a lump sum optional form of payment which participants may elect when their plan benefits commence. The effect of the amendment was to decrease the projected benefit obligation by $34 million, which is being amortized over 23.5 years, representing the weighted average of the lump sum benefit period and the life expectancy of all plan participants. We also sponsor postretirement benefit plans for certain employees in Canada and Hong Kong.

We provide retiree life insurance benefits to certain employees who retired prior to January 1, 2001, and we subsidize a portion of the cost of retiree medical benefits for certain retirees and eligible employees hired prior to October 1, 2000. In February 2009, we amended our retiree medical plan to reduce the subsidies received by participants by 20% per year over the next 5 years, with no further subsidies beginning January 1, 2014. This amendment resulted in $57 million of negative prior service cost recorded in other comprehensive income that was amortized to operating expense over the remaining term which concluded in December 2013. During the year ended December 31, 2013, we recognized $12 million of amortization of prior service credit and $4 million of amortization of actuarial gain associated with this plan.

The following tables provide a reconciliation of the changes in the LPP's benefit obligations and fair value of assets during the years ended December 31, 2015 and 2014, and the unfunded status as of December 31, 2015 and 2014 (in thousands):

	Year Ended December 31,	
	2015	2014
Change in benefit obligation:		
Benefit obligation at January 1	$ (448,577)	$ (396,461)
Service cost	—	—
Interest cost	(19,097)	(19,582)
Actuarial gains (losses), net	22,669	(56,369)
Benefits paid	24,489	23,835
Benefit obligation at December 31	$ (420,516)	$ (448,577)
Change in plan assets:		
Fair value of assets at January 1	$ 359,099	$ 342,482
Actual return on plan assets	(8,024)	36,252
Employer contributions	—	4,200
Benefits paid	(24,489)	(23,835)
Fair value of assets at December 31	$ 326,586	$ 359,099
Unfunded status at December 31	$ (93,930)	$ (89,478)

The net benefit obligation of $94 million and $89 million as of December 31, 2015 and 2014, respectively, is included in other noncurrent liabilities in our consolidated balance sheets.

The amounts recognized in accumulated other comprehensive income (loss), net of deferred taxes, associated with the LPP as of December 31, 2015, and 2014 are as follows (in thousands):

	December 31,	
	2015	2014
Net actuarial loss	$ (105,017)	$ (105,224)
Prior service credit	14,262	15,178
Accumulated other comprehensive loss	$ (90,755)	$ (90,046)

The following table provides the components of net periodic benefit costs associated with the LPP and the principal assumptions used in the measurement of the LPP benefit obligations and net benefit costs for the three years ended December 31, 2015, 2014 and 2013 (in thousands):

	Year Ended December 31,		
	2015	2014	2013
Interest cost	$ 19,097	$ 19,582	$ 17,930
Expected return on plan assets	(21,117)	(23,945)	(23,635)
Amortization of prior service credit	(1,432)	(1,432)	(1,432)
Amortization of actuarial loss	7,045	4,920	7,383
Net cost (credit)	$ 3,593	$ (875)	$ 246
Weighted-average discount rate used to measure benefit obligations	4.86%	4.36%	5.10%
Weighted average assumptions used to determine net benefit cost:			
Discount rate	4.36%	5.10%	4.19%
Expected return on plan assets	6.50%	7.50%	7.75%

As a result of the freeze of pension benefit accruals under the LPP as of December 31, 2005, no assumption for future rate of compensation increase is necessary.

The following table provides the pre-tax amounts recognized in OCI, including the amortization of the actuarial loss and prior service credit, associated with the LPP for the years ended December 31, 2015, 2014 and 2013 (in thousands):

Obligations Recognized in Other Comprehensive Income	Year Ended December 31, 2015	2014	2013
Net actuarial loss (gain)	$ 6,472	$ 44,062	$ (43,787)
Amortization of actuarial loss	(7,045)	(4,920)	(7,383)
Amortization of prior service credit	1,432	1,432	1,432
Total loss (gain) recognized in other comprehensive income	$ 859	$ 40,574	$ (49,738)
Total recognized in net periodic benefit cost and other comprehensive income	$ 4,452	$ 39,699	$ (49,492)

For the LPP, we estimate that $4 million of actuarial loss, net of amortization of prior service credit, will be amortized from accumulated other comprehensive income (loss) into net periodic benefit cost in 2016.

Our overall investment strategy for the LPP is to provide and maintain sufficient assets to meet pension obligations both as an ongoing business, as well as in the event of termination, at the lowest cost consistent with prudent investment management, actuarial circumstances, and economic risk, while minimizing the earnings impact. Diversification is provided by using an asset allocation primarily between equity and debt securities in proportions expected to provide opportunities for reasonable long term returns with acceptable levels of investment risk. Fair values of the applicable assets are determined as follows:

Mutual Fund—The fair value of our mutual funds are estimated by using market quotes as of the last day of the period.

Common Collective Trusts—The fair value of our common collective trusts are estimated by using market quotes as of the last day of the period, quoted prices for similar securities and quoted prices in non-active markets.

Real Estate—The fair value of our real estate funds are derived from the fair value of the underlying real estate assets held by the funds. These assets are initially valued at cost and are reviewed periodically utilizing available market data to determine if the assets held should be adjusted.

The basis for the selected target asset allocation included consideration of the demographic profile of plan participants, expected future benefit obligations and payments, projected funded status of the plan and other factors. The target allocations for LPP assets are 38% global equities, 58% long duration fixed income, and 4% real estate. It is recognized that the investment management of the LPP assets has a direct effect on the achievement of its goal. As defined in Note 10, Fair Value Measurements, the following tables present the fair value of the LPP assets as of December 31, 2015, and 2014:

	Fair Value Measurements at December 31, 2015			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Common collective trusts:				
Fixed income securities	$ —	$ 180,717	$ —	$ 180,717
Global equity securities	—	123,413	—	123,413
Money market mutual fund	5,148	—	—	5,148
Real estate	—	—	17,308	17,308
Total assets at fair value	$ 5,148	$ 304,130	$ 17,308	$ 326,586

	Fair Value Measurements at December 31, 2014			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Common collective trusts:				
Fixed income securities	$ —	$ 199,683	$ —	$ 199,683
Global equity securities	—	139,493	—	139,493
Money market mutual fund	4,709	—	—	4,709
Real estate	—	—	15,214	15,214
Total assets at fair value	$ 4,709	$ 339,176	$ 15,214	$ 359,099

The following table provides a rollforward of plan assets valued using significant unobservable inputs (level 3), in thousands:

	Real Estate
Ending balance at December 31, 2013	$ 21,714
Contributions	300
Net distributions	(8,712)
Advisory fee	(245)
Net investment income	989
Unrealized gain	1,159
Net realized gain	9
Ending balance at December 31, 2014	15,214
Contributions	608
Net distributions	(687)
Advisory fee	(95)
Net investment income	393
Unrealized gain	1,863
Net realized gain	12
Ending balance at December 31, 2015	$ 17,308

We contributed $4 million and $3 million to fund the LPP during the years ended December 31, 2014 and 2013, respectively. No contributions were made during the year ended December 31, 2015. Annual contributions to our defined benefit pension plans in the United States and Canada are based on several factors that may vary from year to year. Our funding practice with respect to the LPP is to contribute the minimum required contribution as defined by law while also maintaining an 80% funded status as defined by the Pension Protection Act of 2006. Thus, past contributions are not always indicative of future contributions. Based on current assumptions, we do not expect to make any contributions to our defined benefit pension plans in 2016.

The expected long term rate of return on plan assets for each measurement date was selected after giving consideration to historical returns on plan assets, assessments of expected long term inflation and market returns for each asset class and the target asset allocation strategy. We do not anticipate the return of any plan assets to us in 2016.

We expect the LPP to make the following estimated future benefit payments (in thousands):

	Amount
2016	$ 29,000
2017	29,000
2018	29,000
2019	28,000
2020	29,000
2021-2025	150,000

15. Related Party Transactions

On March 30, 2007, we entered into a Management Services Agreement (the “MSA”) with affiliates of TPG and Silver Lake to provide us with management services. The MSA was terminated in conjunction with our initial public offering completed in April 2014. Pursuant to the MSA, we were required to pay monitoring fees of between $5 million and $7 million each year which were dependent on our consolidated earnings before interest, taxes, depreciation and amortization for these services. In conjunction with our initial public offering, we paid TPG and Silver Lake, in the aggregate, a $21 million fee pursuant to the MSA. We recognized expenses of $2 million and $7 million related to the annual monitoring fee for the years ended December 31, 2014 and 2013, respectively. We also reimbursed TPG and Silver Lake for out of pocket expenses incurred by them or their affiliates in connection with services provided pursuant to the MSA. These expenses were not material for the years ended December 31, 2014 and 2013.

For related party transactions with AIPL, a former equity method investment, refer to Note 4, Equity Method Investments.

16. Commitments and Contingencies

Lease Commitments

Our lease commitments include operating leases for certain facilities and capital leases for certain office equipment and other assets. Our capital leases are not significant. Certain of our operating lease agreements contain renewal options and/or payment escalations based on fixed annual increases, local consumer price index changes or market rental reviews. We recognize rent expense on a straight-line basis over the term of the lease. We lease approximately one million square feet of office space in 108 locations in 54 countries. For the years ended December 31, 2015, 2014 and 2013, we recognized rent expense of $28 million, $31 million and $33 million, respectively. Future minimum lease payments under non-cancelable operating leases are as follows (in thousands):

	Amount
2016	$ 21,120
2017	19,204
2018	16,209
2019	12,821
2020	10,331
Thereafter	40,582
Total	$ 120,267

Legal Proceedings

While certain legal proceedings and related indemnification obligations to which we are a party specify the amounts claimed, these claims may not represent reasonably possible losses. Given the inherent uncertainties of litigation, the ultimate outcome of these matters cannot be predicted at this time, nor can the amount of possible loss or range of loss, if any, be reasonably estimated, except in circumstances where an aggregate litigation accrual has been recorded for probable and reasonably estimable loss contingencies. A determination of the amount of accrual required, if any, for these contingencies is made after careful analysis of each matter. The required accrual may change in the future due to new information or developments in each matter or changes in approach such as a change in settlement strategy in dealing with these matters.

Antitrust Litigation and DOJ Investigation

American Airlines Antitrust Litigation (state and federal court claims)

In October 2012, we settled two outstanding state and federal lawsuits with American Airlines (“American”) relating to American’s participation in the Sabre GDS. The litigation, primarily involving breach of contract and antitrust claims, arose in January 2011 after American undertook certain marketing activities relating to its “Direct Connect” program (a method of providing its information and booking services directly to travel agents without using a GDS), and we de-preferenced American’s flight information on the GDS and modified certain fees for booking American flights in a manner we believe was permitted under the terms of our distribution and services agreement with American.

American alleged that we had taken anticompetitive actions. We denied American’s allegations and aggressively defended against these claims and pursued our own legal rights as warranted.

On October 30, 2012, we agreed to settlement terms in the state and federal lawsuits with American and, as a result of the terms of the settlement, renewed our distribution agreement with American for several years. We also entered into renewal agreements with American for Travelocity. Terms of the settlement and distribution agreements were approved by the court presiding over the restructuring procedures for American Airlines Group, Inc. (“AAG”), American’s parent company, pursuant to an order made final on December 20, 2012. The settlement agreement contains mutual releases of all claims by each party and neither party admitted any wrong doing on their part. In January 2014, we reached a long-term agreement with American to be the provider of the reservation system for the post-merged American and US Airways.

In the fourth quarter of 2012, we recognized a settlement charge of $222 million, net of tax, in our results of operations. The settlement charge reflected a multiple-element arrangement consisting of cash payments directly to American, payment credits to pay for technology services that we provide and an estimate of the fair value of other agreements entered into concurrently with the settlement agreement. The cash payments totaled $200 million, which were paid in two $100 million installments in the fourth quarters of 2012 and 2013. As of December 31, 2015, the remaining settlement liability and related deferred revenue totaled $35 million, of which $30 million is classified as current. The current portion of the settlement liability is reflected in litigation settlement

liability and related deferred revenue and the noncurrent portion is included in other noncurrent liabilities in the consolidated balance sheets.

US Airways Antitrust Litigation

In April 2011, US Airways filed suit against us in federal court in the Southern District of New York, alleging violations of the Sherman Act Section 1 (anticompetitive agreements) and Section 2 (monopolization). The complaint was filed two months after we entered into a new distribution agreement with US Airways. In September 2011, the court dismissed all claims relating to Section 2. The claims that were not dismissed are claims brought under Section 1 of the Sherman Act that relate to our contracts with US Airways, which US Airways says contain anticompetitive provisions, and an alleged conspiracy with the other GDSs, allegedly to maintain the industry structure and not to compete for content. We strongly deny all of the allegations made by US Airways.

Document, fact and expert witness discovery is complete. Summary judgment motions were filed in April 2014 and in January 2015, the court issued a ruling eliminating a majority of the alleged damages as well as rejecting a request for injunctive relief. The injunctive relief sought by US Airways requested that the court require us to modify language in our customer contracts. The claims that have been dismissed to date are subject to appeal.

Based on the summary judgment ruling, the potential remaining range of single damages has been significantly reduced. In respect of all of the remaining claims, US Airways claims damages (before trebling) of either $45 million or $73 million. We believe these claims are based on faulty assumptions and analysis and therefore are highly overstated. In the event US Airways were to prevail on the merits of its claim, we believe any monetary damages awarded (before trebling) would be significantly less than either of US Airways' proposed damage amounts. With respect to the remaining claims in this case, we believe that our business practices and contract terms are lawful, and we will continue to vigorously defend against the remaining claims.

In June 2015, US Airways filed a Second Amended Complaint that limited its request for relief for the remaining claims to an amount not to exceed twenty dollars (post-trebling), plus reasonable costs, attorneys' fees and pre- and post-judgment interest, as well as declaratory relief with respect to those claims, including claims that we acted anticompetitively and maintained alleged market power.

In July 2015, we made an offer of judgment to US Airways, in which we offered to pay US Airways twenty dollars plus reasonable costs and attorneys' fees incurred to date in an amount to be determined by the court. The offer of judgment provided for the entry of a judgment against us on all remaining claims without an admission of liability. US Airways rejected our offer of judgment. We filed a motion for entry of judgment requesting that the court enter judgment pursuant to the terms of our offer because it provides US Airways with complete relief on all remaining, available claims. US Airways responded that entry of judgment was not appropriate because our offer did not address US Airways' claim for declaratory relief, which we contended was moot in light of, among other things, the fact that US Airways' remaining claims relate to only an expired contract and a past alleged conspiracy. In September 2015, the court agreed with our position regarding declaratory relief, and dismissed US Airways' request for declaratory judgment. The ruling left in place US Airways' request for relief for twenty dollars (post-trebling), plus reasonable costs and attorneys' fees, and any applicable pre- and post-judgment interest. We renewed our offer of judgment on the same terms as the earlier offer.

US Airways made a motion to amend its complaint to reinstate its claim for damages (before trebling) of either $45 million or $73 million. In December 2015, the court issued a ruling permitting US Airways to file a Third Amended Complaint reinstating its claim for damages (before trebling) of either $45 million or $73 million. However, the court's December 2015 ruling also required US Airways to reimburse us for our costs and fees associated with certain legal proceedings during 2015 before it may file a Third Amended Complaint. In February 2016, the court ruled that US Airways may file a third amended complaint by March 10, 2016 provided it reimburses us $6 million for these costs and fees. To date, US Airways has not paid us this amount or filed its Third Amended Complaint.

Currently there is no trial date set for the remaining claims.

We believe that the claims associated with this case are not probable and therefore have not accrued any losses as of December 31, 2015. We have and will incur significant fees, costs and expenses for as long as the litigation is ongoing. In addition, litigation by its nature is highly uncertain and fraught with risk, and it is therefore difficult to predict the outcome of any particular matter, including changes to our business that may be required as a result of the litigation. If favorable resolution of the matter is not reached, any monetary damages are subject to trebling under the antitrust laws and US Airways would be eligible to be reimbursed by us for its reasonable costs and attorneys' fees. Depending on the amount of any such judgment, if we do not have sufficient cash on hand, we may be required to seek private or public financing. We have not made any provisions or recorded

any liability for the potential resolution of this matter. Depending on the outcome of the litigation, any of these consequences could have a material adverse effect on our business, financial condition and results of operations.

Department of Justice Investigation

On May 19, 2011, we received a civil investigative demand ("CID") from the U.S. Department of Justice ("DOJ") investigating alleged anticompetitive acts related to the airline distribution component of our business. We are fully cooperating with the DOJ investigation and are unable to make any prediction regarding its outcome. The DOJ is also investigating other companies that own GDSs, and has sent CIDs to other companies in the travel industry. Based on its findings in the investigation, the DOJ may (i) close the file, (ii) seek a consent decree to remedy issues it believes violate the antitrust laws, or (iii) file suit against us for violating the antitrust laws, seeking injunctive relief. If injunctive relief were granted, depending on its scope, it could affect the manner in which our airline distribution business is operated and potentially force changes to the existing airline distribution business model. Any of these consequences would have a material adverse effect on our business, financial condition and results of operations. We have not received any communications from the DOJ regarding this matter in over two years; however, we have not been notified that this matter is closed.

Putative Class Action Lawsuit

In July 2015, a putative class action lawsuit was filed against us and two other GDSs, in the Federal District Court of New York, Southern Division. In January 2016, we filed a motion to dismiss all of the plaintiffs' claims, which is pending before the court. The plaintiffs, who are asserting claims on behalf of a putative class of consumers in various states, are generally alleging that the GDSs conspired to, for example, negotiate for full content from the airlines, resulting in higher ticket prices for consumers, in violation of various federal and state laws. Although the amount of damages allegedly incurred by the plaintiffs has not been asserted to date, the plaintiffs are also seeking declaratory and injunctive relief. We may incur significant fees, costs and expenses for as long as this litigation is ongoing. We intend to vigorously defend against these claims.

Insurance Carriers

We have disputes against some of our insurance carriers for failing to reimburse defense costs incurred in the American Airlines antitrust litigation, which we settled in October 2012. Both carriers admitted there is coverage, but reserved their rights not to pay should we be found liable for certain of American Airlines' allegations. Despite their admission of coverage, the insurers have only reimbursed us for a small portion of our significant defense costs. We filed suit against the entities in New York state court alleging breach of contract and a statutory cause of action for failure to promptly pay claims. If we prevail, we may recover some or all amounts already tendered to the insurance companies for payment within the limits of the policies and may be entitled to 18% interest on such amounts, all of which will be recorded in the period cash is received. To date, settlement discussions have been unsuccessful. Discovery has been closed, and we expect that summary judgment briefing will be completed in the first half of 2016.

Indian Income Tax Litigation

We are currently a defendant in income tax litigation brought by the Indian Director of Income Tax ("DIT") in the Supreme Court of India. The dispute arose in 1999 when the DIT asserted that we have a permanent establishment within the meaning of the Income Tax Treaty between the United States and the Republic of India and accordingly issued tax assessments for assessment years ending March 1998 and March 1999, and later issued further tax assessments for assessment years ending March 2000 through March 2006. We appealed the tax assessments and the Indian Commissioner of Income Tax Appeals returned a mixed verdict. We filed further appeals with the Income Tax Appellate Tribunal ("ITAT"). The ITAT ruled in our favor on June 19, 2009 and July 10, 2009, stating that no income would be chargeable to tax for assessment years ending March 1998 and March 1999, and from March 2000 through March 2006. The DIT appealed those decisions to the Delhi High Court, which found in our favor on July 19, 2010. The DIT has appealed the decision to the Supreme Court of India and no trial date has been set.

In addition, Sabre Asia Pacific Pte Ltd ("SAPPL"), formerly AIPL, is currently a defendant in similar income tax litigation brought by the DIT. The dispute arose when the DIT asserted that SAPPL has a permanent establishment within the meaning of the Income Tax Treaty between Singapore and India and accordingly issued tax assessments for assessment years ending March 2000 through March 2005. SAPPL appealed the tax assessments, and the Indian Commissioner of Income Tax (Appeals) returned a mixed verdict. SAPPL filed further appeals with the ITAT. The ITAT ruled in SAPPL's favor, finding that no income would be chargeable to tax for assessment years ending March 2000 through March 2005. The DIT appealed those decisions to the Delhi High Court. No hearing date has been set. The DIT also assessed taxes on a similar basis for assessment years ending March 2006 through March 2011, which are pending before the ITAT.

If the DIT were to fully prevail on every claim against us, including SAPPL, we could be subject to taxes, interest and penalties of approximately $41 million as of December 31, 2015. We and SAPPL intend to continue to aggressively defend against each of the foregoing claims. Although we do not believe that the outcome of the proceedings will result in a material impact on our business or financial condition, litigation is by its nature uncertain. We do not believe this outcome is probable and therefore have not made any provisions or recorded any liability for the potential resolution of any of these claims.

Indian Service Tax Litigation

SAPPL is also subject to litigation by the India Director General (Service Tax) ("DGST"), which has assessed the subsidiary for multiple years related to its alleged failure to pay service tax on marketing fees and reimbursements of expenses. Indian courts have returned verdicts favorable to the Indian subsidiary. The DGST has appealed the verdict to the Indian Supreme Court. No provision has been recorded for this matter as we believe we will ultimately prevail.

Litigation and Administrative Audit Proceedings Relating to Hotel Occupancy Taxes

On January 23, 2015, we sold Travelocity.com to Expedia. Pursuant to the Asset Purchase Agreement with Expedia (the “Travelocity Purchase Agreement”), we will continue to be liable for pre-closing liabilities of Travelocity, including fees, charges, costs and settlements relating to litigation arising from hotels booked on the Travelocity platform prior to our previous long-term strategic marketing agreement with Expedia (the “Expedia SMA”). Fees, charges, costs and settlements relating to litigation from hotels booked on Travelocity.com subsequent to the Expedia SMA and prior to the date of the sale of Travelocity.com will be shared with Expedia in accordance with the terms that were in the Expedia SMA. We are jointly and severally liable for Travelocity’s indemnification obligations under the Travelocity Purchase Agreement for liabilities that may arise out of these litigation matters, which could adversely affect our cash flow.

In recent years, various state and local governments in the United States have filed approximately 70 lawsuits against us and other OTAs pertaining primarily to whether our discontinued Travelocity segment and other OTAs owe sales or occupancy taxes on the revenues they earned from facilitating hotel reservations, where the customer paid us an amount at the time of booking that included (i) service fees, which we collected and retained, and (ii) the price of the hotel room and amounts for occupancy or other local taxes, which we passed along to the hotel supplier. The complaints generally allege, among other things, that the defendants failed to pay to the relevant taxing authority hotel occupancy taxes on the service fees. Courts have dismissed approximately 30 of these lawsuits, some for failure to exhaust administrative remedies and some on the basis that we are not subject to sales or occupancy tax. The Fourth, Sixth and Eleventh Circuits of the United States Courts of Appeals each have ruled in our favor on the merits, as have state appellate courts in Missouri, Alabama, Texas, California, Kentucky, Florida, Colorado and Pennsylvania, and a number of state and federal trial courts. The remaining lawsuits are in various stages of litigation. We have also settled some cases individually, most for amounts not material to our results of operations, and with respect to these settlements, have generally reserved our rights to challenge any effort by the applicable tax authority to impose occupancy taxes in the future.

We have received recent favorable decisions pertaining to cases in Florida, North Dakota, North Carolina, California, Montana, Arizona and Colorado. In Florida, Travelocity has been named as a defendant in several proceedings and lawsuits brought by cities and counties in Florida, including the Counties of Leon, Broward, Osceola, and Volusia; and the City of Miami. The suits brought by Leon County and Broward County have been decided on the merits, and both were decided in favor of Travelocity and other OTAs. On February 28, 2013 and February 12, 2014, respectively, those decisions were affirmed by the intermediate court of appeals. On June 11, 2015, the Supreme Court of Florida affirmed the Leon County judgment in favor of Travelocity and other OTAs, ruling they are not subject to state or local taxes that apply to the renting, leasing, or letting of hotel rooms. Separately, on December 9, 2015, the Supreme Court of Florida denied review of Broward County’s appeal, citing its earlier decision in the Leon County case. On July 9, 2015, a district court in North Dakota ruled that Travelocity and other OTAs are not engaged in the business of leasing or renting hotel accommodations and thus are not subject to the City of Fargo’s hotel tax. On August 19, 2014, the North Carolina Court of Appeals affirmed a judgment in favor of Travelocity and other OTAs after concluding they are not operators of hotels, motel or similar-type businesses and therefore are not subject to hotel occupancy tax. On May 28, 2014, an administrative hearing officer in Arizona ruled that Travelocity is not responsible for collecting or remitting local hotel taxes and set aside assessments made by twelve municipalities, including Phoenix, Scottsdale, Tempe, and Tucson. Those municipalities have appealed the decision to state court. On March 27, 2014, a California court of appeals upheld a trial court ruling that OTAs, including Travelocity, are not subject to the City of San Diego’s transient occupancy tax because they are not hotel operators or managing agents. That case is now pending before the Supreme Court of California. The California court of appeals’ decision marked the third time that a California appellate court has ruled in favor of Travelocity on the question of whether OTAs are subject to transient occupancy taxes in California, the prior two cases being brought by the City of Anaheim and City of Santa Monica. Travelocity also has prevailed at the trial court level in cases brought by San Francisco and Los Angeles, both of which are being appealed by the cities. On March 6, 2014, a Montana trial court ruled by summary judgment that Travelocity and other

OTAs are not subject to the State of Montana's lodging facility use tax or its sales tax on accommodations and vehicles. On August 12, 2015, the Supreme Court of Montana affirmed the trial court's decision that Travelocity is not subject to the lodging facility use tax, but concluded that Travelocity's service fees are subject to sales tax on accommodations and vehicles. On July 3, 2014, the Colorado Court of Appeals entered judgment that Travelocity and OTAs are not liable for lodging taxes as claimed by the City of Denver. The City of Denver has appealed the decision to the Supreme Court of Colorado.

Although we have prevailed in the majority of these lawsuits and proceedings, there have been several adverse judgments or decisions on the merits, some of which are subject to appeal. On April 3, 2014, the Supreme Court of Wyoming affirmed a decision by the Wyoming State Board of Equalization that Travelocity and other OTAs are subject to sales tax on lodging. Similarly, on July 23, 2015, a court of appeals for the District of Columbia ruled in favor of the District of Columbia on its claim that Travelocity and other OTAs are subject to the District of Columbia hotel occupancy tax. As a result, we paid $6 million to the District in the third quarter of 2015, most of which was previously accrued. We did not record material charges associated with these cases during the years ended December 31, 2015, 2014 and 2013.

On April 4, 2013, the United States District Court for the Western District of Texas ("W.D.T.") entered a final judgment against Travelocity and other OTAs in a class action lawsuit filed by the City of San Antonio. The final judgment was based on a jury verdict from October 30, 2009 that the OTAs "control" hotels for purposes of city hotel occupancy taxes. Following that jury verdict, on July 1, 2011, the W.D.T. concluded that fees charged by the OTAs are subject to hotel occupancy taxes and that the OTAs have a duty to collect and remit these taxes. We disagree with the jury's finding and with the W.D.T.'s conclusions based on the jury finding, and intend to appeal the final judgment to the United States Court of Appeals for the Fifth Circuit. The verdict against us, including penalties and interest, is $4 million, which we do not believe we will ultimately pay and therefore have not accrued any loss related to this case.

We believe the Fifth Circuit's resolution of the San Antonio appeal may be affected by a separate Texas state appellate court decision in our favor. On October 26, 2011, the Fourteenth Court of Appeals of Texas affirmed a trial court's summary judgment ruling in favor of the OTAs in a case brought by the City of Houston and the Harris County-Houston Sports Authority on a similarly worded tax ordinance as the one at issue in the San Antonio case. The Texas Supreme Court denied the City of Houston's petition to review the case. We believe this decision should provide persuasive authority to the Fifth Circuit in its review of the San Antonio case.

On March 17, 2015, the Supreme Court of Hawaii issued a decision affirming in part and reversing in part a final judgment entered by the Hawaii Tax Appeal Court. In that case, the Tax Appeal Court had ruled that Travelocity and other OTAs are not subject to Hawaii's transient accommodation tax, but also had ruled in favor of the State of Hawaii on the issue of whether the state's general excise tax, which is assessed on all business activity in the state, applies to hotel bookings, in which we were the merchant of record for credit card processing for travel accommodations, for the period 2002 to 2011.

The State of Hawaii appealed the Tax Appeal Court's decision that Travelocity is not subject to transient accommodation tax, and Travelocity appealed the decision that we are subject to general excise tax. On March 17, 2015, the Supreme Court of Hawaii issued its decision affirming that Travelocity is not subject to transient accommodation tax, affirming that Travelocity is subject to general excise tax, and reversing the Tax Appeal Court's decision that Travelocity is liable for general excise tax on the gross receipts collected from customers. Instead, the Hawaii Supreme Court held Travelocity is liable for general excise tax only on its own service fees. On March 27, 2015, the State of Hawaii filed a motion for reconsideration, which was denied.

The original proceeding in the Hawaii Supreme Court involved all merchant model hotel bookings for the period 2002 to 2011. While that appeal was pending, the State also issued additional assessments of general excise tax, interest, and penalties for merchant model hotel bookings for 2012; merchant model car reservations for the period 2004-2012; and combined merchant model hotel and car reservations for 2013. Further, notwithstanding the Tax Appeal Court's ruling that Travelocity is not subject to transient accommodation tax, the State issued additional transient accommodation tax assessments for 2012 and 2013. Travelocity has appealed all of the additional assessments to the Tax Appeal Court, which initially stayed the assessments pending the Hawaii Supreme Court's final decision on the original assessments. Those stays have now been lifted. On January 25, 2016, the State issued additional assessments for general excise tax alleged to be owed on agency model hotel and car rental bookings for the years 2000-2014, and for merchant model hotel and car rental bookings for 2014. Travelocity intends to appeal the assessments to the Tax Appeal Court. We do not believe we will ultimately pay these additional assessments of general excise tax, including interest and penalties.

In September 2015, we received a final ruling on the amounts owed by Travelocity in the original Hawaii tax case, and as a result, received a cash refund of $30 million from the State of Hawaii. In 2013, we paid the State of Hawaii $35 million to appeal. In addition, we reduced our accrued liability by $10 million as a result of the final ruling. The total gain of $40 million is included in income (loss) from discontinued operations in our consolidated statements of operations and the $30 million cash refund is

included in cash flows from discontinued operations in our consolidated statements of cash flows. During the years ended December 31, 2014 and 2013, we recorded charges of $2 million and $17 million, respectively, associated with this litigation, which are included in income (loss) from discontinued operations. As of December 31, 2015, our reserve was not material for the estimated remaining payments to the State of Hawaii and we did not make any material payments in the year ended December 31, 2015.

As of December 31, 2015, our reserve was not material for the potential resolution of issues identified related to litigation involving hotel and car sales, occupancy or excise taxes. Our estimated liability is based on our current best estimate but the ultimate resolution of these issues may be greater or less than the amount recorded and, if greater, could adversely affect our results of operations.

During the year ended December 31, 2015, we received insurance proceeds of $6 million from an insurance carrier for reimbursement of litigation costs on all cases associated with hotel occupancy taxes. The proceeds were recognized as a gain and is included in income (loss) from discontinued operations.

In addition to the actions by the tax authorities, two consumer class action lawsuits have been filed against us in which the plaintiffs allege that we made misrepresentations concerning the description of the fees received in relation to facilitating hotel reservations. Generally, the consumer claims relate to whether Travelocity provided adequate notice to consumers regarding the nature of our fees and the amount of taxes charged or collected. One of these lawsuits is pending in Texas state court, where the court is currently considering the plaintiffs' motion to certify a class action; and the other is pending in federal court, but has been stayed pending the outcome of the Texas state court action. We believe the notice we provided was appropriate and therefore have not accrued any losses related to these cases.

In addition to the lawsuits, a number of state and local governments have initiated inquiries, audits and other administrative proceedings that could result in an assessment of sales or occupancy taxes on fees. If we do not prevail at the administrative level, those cases could lead to formal litigation proceedings.

Litigation Relating to Routine Proceedings

We are also engaged from time to time in other routine legal and tax proceedings incidental to our business. We do not believe that any of these routine proceedings will have a material impact on the business or our financial condition.

17. Segment Information

Our reportable segments are based upon: our internal organizational structure; the manner in which our operations are managed; the criteria used by our Chief Executive Officer, who is our Chief Operating Decision Maker ("CODM"), to evaluate segment performance; the availability of separate financial information; and overall materiality considerations.

Our business has two reportable segments: (i) Travel Network and (ii) Airline and Hospitality Solutions, which aggregates the Airline Solutions and Hospitality Solutions operating segments as these operating segments have similar economic characteristics, generate revenues on transaction-based fees, incur the same types of expenses and use our SaaS based and hosted applications and platforms to market to the travel industry.

In the third quarter of 2015, we acquired Abacus which is managed as the APAC region of our Travel Network segment. In the first quarter of 2015, we disposed of our Travelocity segment; therefore, the financial results of Travelocity are excluded from the segment information presented below and are included in net income (loss) from discontinued operations in our consolidated statements of operations.

Our CODM utilizes Adjusted Gross Margin and Adjusted EBITDA as the measures of profitability to evaluate performance of our segments and allocate resources. Corporate includes a technology organization that provides development and support activities to our segments. The majority of costs associated with our technology organization are allocated to the segments primarily based on the segments' usage of resources. Benefit expenses, facility costs and depreciation expense on the corporate headquarters building are allocated to the segments based on headcount. Unallocated corporate costs include certain shared expenses such as accounting, human resources, legal, corporate systems, and other shared technology costs, as well as all amortization of intangible assets and any related impairments that originate from purchase accounting, stock-based compensation, restructuring charges, legal reserves, and other items not identifiable with one of our segments.

We account for significant intersegment transactions as if the transactions were with third parties, that is, at estimated current market prices. The majority of the intersegment revenues and cost of revenues are fees charged by Travel Network to Airline and Hospitality Solutions for airline trips booked through our GDS.

Our CODM does not review total assets by segment as operating evaluations and resource allocation decisions are not made on the basis of total assets by segment. Our CODM uses Adjusted Capital Expenditures in making product investment decisions and determining development resource requirements.

The performance of our segments is evaluated primarily on Adjusted Gross Margin and Adjusted EBITDA which are not recognized terms under GAAP. Our uses of Adjusted Gross Margin and Adjusted EBITDA have limitations as analytical tools, and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP.

We define Adjusted Gross Margin as operating income (loss) adjusted for selling, general and administrative expenses, impairments, depreciation and amortization, amortization of upfront incentive consideration, restructuring and other costs, litigation and taxes, including penalties, and stock-based compensation.

We define Adjusted EBITDA as income (loss) from continuing operations adjusted for impairment, depreciation and amortization of property and equipment, amortization of capitalized implementation costs, acquisition related amortization, amortization of upfront incentive consideration, interest expense, net, loss on extinguishment of debt, other, net, restructuring and other costs, litigation and taxes including penalties, stock-based compensation, management fees and income taxes. We define Adjusted Capital Expenditures as additions to property and equipment and capitalized implementation costs during the periods presented.

Segment information for the years ended December 31, 2015, 2014 and 2013 is as follows (in thousands)

	Year Ended December 31,		
	2015	2014	2013
Revenue			
Travel Network	$ 2,102,792	$ 1,854,785	$ 1,821,498
Airline and Hospitality Solutions	872,086	786,478	711,745
Eliminations	(13,982)	(9,846)	(9,697)
Total revenue	$ 2,960,896	$ 2,631,417	$ 2,523,546
Adjusted Gross Margin [(a)]			
Travel Network	$ 973,915	$ 863,276	$ 860,793
Airline and Hospitality Solutions	384,804	337,851	262,386
Corporate	(41,899)	(54,335)	(62,877)
Total	$ 1,316,820	$ 1,146,792	$ 1,060,302
Adjusted EBITDA [(b)]			
Travel Network	$ 877,276	$ 778,677	$ 772,208
Airline and Hospitality Solutions	323,461	282,648	213,075
Total segments	1,200,737	1,061,325	985,283
Corporate	(259,150)	(221,297)	(206,529)
Total	$ 941,587	$ 840,028	$ 778,754
Depreciation and amortization			
Travel Network	$ 65,765	$ 60,706	$ 52,524
Airline and Hospitality Solutions	143,013	106,415	77,351
Total segments	208,778	167,121	129,875
Corporate	142,702	122,509	157,163
Total	$ 351,480	$ 289,630	$ 287,038
Adjusted Capital Expenditures [(c)]			
Travel Network	$ 73,469	$ 56,091	$ 69,357
Airline and Hospitality Solutions	226,260	161,425	171,270
Total segments	299,729	217,516	240,627
Corporate	50,350	47,522	27,710
Total	$ 350,079	$ 265,038	$ 268,337

(a) The following table sets forth the reconciliation of Adjusted Gross Margin to operating income in our statement of operations:

	Year Ended December 31,		
	2015	2014	2013
Adjusted Gross Margin	$ 1,316,820	$ 1,146,792	$ 1,060,302
Less adjustments:			
Selling, general and administrative	557,077	467,594	437,453
Cost of revenue adjustments:			
Depreciation and amortization [1]	244,535	198,409	192,423
Amortization of upfront incentive consideration [2]	43,521	45,358	36,649
Restructuring and other costs [5]	—	6,042	11,491
Stock-based compensation	11,918	8,044	1,356
Operating income	$ 459,769	$ 421,345	$ 380,930

(b) The following tables set forth the reconciliation of Adjusted EBITDA to loss from continuing operations in our statement of operations:

	Year Ended December 31,		
	2015	2014	2013
Adjusted EBITDA	$ 941,587	$ 840,028	$ 778,754
Less adjustments:			
Depreciation and amortization of property and equipment[1a]	213,520	157,592	123,414
Amortization of capitalized implementation costs[1b]	31,441	35,859	34,143
Acquisition-related amortization[1c]	108,121	99,383	132,685
Amortization of upfront incentive consideration[2]	43,521	45,358	36,649
Interest expense, net	173,298	218,877	274,689
Loss on extinguishment of debt	38,783	33,538	12,181
Other, net[3]	(91,377)	63,860	305
Restructuring and other costs[4]	9,256	10,470	27,921
Acquisition-related costs[5]	14,437	—	—
Litigation costs[6]	16,709	14,144	18,514
Stock-based compensation	29,971	20,094	3,387
Management fees[7]	—	23,701	8,761
Provision for income taxes	119,352	6,279	54,039
Income from continuing operations	$ 234,555	$ 110,873	$ 52,066

(1) Depreciation and amortization expenses (see Note 1, Summary of Business and Significant Accounting Policies for associated asset lives):
   a. Depreciation and amortization of property and equipment includes software developed for internal use.
   b. Amortization of capitalized implementation costs represents amortization of upfront costs to implement new customer contracts under our SaaS and hosted revenue model.
   c. Acquisition-related amortization represents amortization of intangible assets from the take-private transaction in 2007 as well as intangibles associated with acquisitions since that date. Also includes amortization of the excess basis in our underlying equity interest in AIPL's net assets prior to our acquisition of AIPL on July 1, 2015.

(2) Our Travel Network business at times makes upfront cash payments or other consideration to travel agency subscribers at the inception or modification of a service contract, which are capitalized and amortized over an average expected life of the service contract, generally over three to five years. Such consideration is made with the objective of increasing the number of clients or to ensure or improve customer loyalty. Such service contract terms are established such that the supplier and other fees generated over the life of the contract will exceed the cost of the incentive consideration provided up front. Such service contracts with travel agency subscribers require that the customer commit to achieving certain economic objectives and generally have terms requiring repayment of the upfront incentive consideration if those objectives are not met.

(3) In 2015, we recognized a gain of $78 million associated with the remeasurement of our previously-held 35% investment in AIPL to its fair value and a gain of $12 million related to the settlement of pre-existing agreements between us and AIPL. In 2014, other, net primarily includes a fourth quarter charge of $66 million as a result of an increase to our TRA liability. The increase in our TRA liability is due to a reduction in a valuation allowance maintained against our deferred tax assets. This charge is fully offset by an income tax benefit recognized in the fourth quarter of 2014 from the reduction in the valuation allowance which is included in tax impacts of net income adjustments. In addition, all periods presented include foreign exchange gains and losses related to the remeasurement of foreign currency denominated balances included in our consolidated balance sheets into the relevant functional currency.

(4) Restructuring and other costs represents charges associated with business restructuring and associated changes implemented which resulted in severance benefits related to employee terminations, integration and facility opening or closing costs and other business reorganization costs. In 2013, we recognized a restructuring charge of $8 million associated with our corporate technology organization. In 2015, we recognized a restructuring charge of $9 million associated with the integration of Abacus.

(5) Acquisition-related costs represent fees and expenses incurred associated with the acquisition of Abacus and the Trust Group.

(6) Litigation costs represent charges associated with antitrust litigation.

(7) We paid an annual management fee to TPG and Silver Lake in an amount between (i) $5 million and (ii) $7 million, plus reimbursement of certain costs incurred by TPG and Silver Lake, pursuant to the MSA. In addition, we paid a $21 million fee, in the aggregate, to TPG and Silver Lake in connection with our initial public offering in 2014. The MSA was terminated in conjunction with our initial public offering.

(c) Includes capital expenditures and capitalized implementation costs as summarized below:

	Year Ended December 31,		
	2015	2014	2013
Additions to property and equipment	$ 286,697	$ 227,227	$ 209,523
Capitalized implementation costs	63,382	37,811	58,814
Adjusted Capital Expenditures	$ 350,079	$ 265,038	$ 268,337

A significant portion of our revenue is generated through transaction-based fees that we charge to our customers. For Travel Network, this fee is in the form of a transaction fee for bookings on our GDS; for Airline and Hospitality Solutions, this fee is a recurring usage-based fee for the use of our SaaS and hosted systems, as well as implementation fees and consulting fees. Transaction-based revenue accounted for approximately 92%, 90% and 89% of our Travel Network revenue for the years ended December 31, 2015, 2014 and 2013, respectively. Transaction-based revenue accounted for approximately 70% of our Airline and Hospitality Solutions revenue for each of the years ended December 31, 2015, 2014 and 2013.

All joint venture equity income and expenses relate to Travel Network.

Our revenues and long-lived assets, excluding goodwill and intangible assets, by geographic region are summarized below. Revenue of our Travel Network business is attributed to countries based on the location of the travel supplier. For Airline and Hospitality Solutions, revenue is attributed to countries based on the location of the customer.

	Year Ended December 31,		
	2015	2014	2013
Revenue:			
United States	$ 1,182,056	$ 1,146,800	$ 1,041,934
Europe	581,762	525,694	483,504
All other	1,197,078	958,923	998,108
Total	$ 2,960,896	$ 2,631,417	$ 2,523,546

	As of December 31,	
	2015	2014
Long-lived assets		
United States	$ 600,999	$ 519,762
Europe	7,972	23,480
All other	18,558	8,034
Total	$ 627,529	$ 551,276

18. Subsequent Events

Acquisition of the Trust Group

In January 2016, we completed the acquisition of the Trust Group, a central reservations, revenue management and hotel marketing provider with a significant presence in EMEA and APAC. We paid net cash consideration of $159 million, which excludes the effect of net working capital adjustments subject to finalization. The acquisition was funded using proceeds from our recently issued 5.25% senior secured notes due in 2023 and cash on hand. The Trust Group will be integrated and managed as part of our Airline and Hospitality Solutions segment.

The purchase price allocation and pro forma financial information are not yet available due to limited access to Trust Group's books and records prior to the acquisition and the limited time from the completion of the acquisition through the date of this Annual Report on Form 10-K.

19. Quarterly Financial Information (Unaudited)

A summary of our quarterly financial results for the years ended December 31, 2015 and 2014 is presented below (in thousands):

	Year Ended December 31, 2015			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenue	$ 710,348	$ 707,091	$ 785,002	$ 758,455
Operating income	118,992	122,605	108,772	109,400
Income from continuing operations	49,330	32,589	123,124	29,512
Income from discontinued operations, net of tax	158,911	696	53,892	100,909
Net income	208,241	33,285	177,016	130,421
Net income attributable to Sabre Corporation	207,494	32,207	176,340	129,441
Net income attributable to common stockholders	207,494	32,207	176,340	129,441
Net income per share attributable to common stockholders:				
Basic	0.77	0.12	0.64	0.47
Diluted	0.75	0.12	0.63	0.46

	Year Ended December 31, 2014			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenue	$ 666,415	$ 646,380	$ 672,480	$ 646,142
Operating income	103,707	96,082	117,847	103,709
Income from continuing operations	21,959	6,455	41,229	41,230
(Loss) income from discontinued operations, net of tax	(24,056)	(16,650)	(3,946)	5,734
Net (loss) income	(2,097)	(10,195)	37,283	46,964
Net (loss) income attributable to Sabre Corporation	(2,843)	(10,897)	36,563	46,400
Net (loss) income attributable to common stockholders	(11,989)	(13,132)	36,563	46,400
Net (loss) income per share attributable to common stockholders:				
Basic	(0.07)	(0.05)	0.14	0.17
Diluted	(0.07)	(0.05)	0.13	0.17

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e)) as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures are effective.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Exchange Act Rules 13a-15(f). Under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, we have conducted an evaluation of the effectiveness of our internal control over financial reporting based on criteria established in the framework in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on our evaluation, we concluded that our internal control over financial reporting is effective as of December 31, 2015.

The internal controls over financial reporting of an acquired business are eligible for a one-year exclusion as permitted by SEC Staff interpretive guidance. Accordingly, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include controls of Abacus, which constituted 17% of total assets as of December 31, 2015 and 6% and 2% of revenue and net income, respectively, for the year then ended.

Our independent registered public accounting firm, Ernst & Young LLP, has issued an attestation report on the effectiveness of our internal control over financial reporting as of December 31, 2015, which is included in Item 8 of this Annual Report on Form 10-K.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting during the quarter ended December 31, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information set forth under the following headings of our definitive Proxy Statement for our 2016 annual meeting of stockholders (the "2016 Proxy Statement") is incorporated herein by reference:

- "Certain Information Regarding Nominees for Director" under "Proposal 1. Election of Directors," which identifies our directors and nominees for our Board of Directors, and "Stockholders' Agreement" under "Corporate Governance."
- "Section 16(a) Beneficial Ownership Reporting Compliance."
- "Corporate Governance—Other Corporate Governance Matters—Business Ethics Policy and Code of Conduct," which describes our Code of Ethics.
- "Corporate Governance—Stockholder Nominations for Directors," which describes the procedures by which stockholders may nominate candidates for election to our Board of Directors.
- "Corporate Governance—Board Committees—Audit Committee," which identifies members of the Audit Committee of our Board of Directors and audit committee financial experts.

Information regarding our executive officers is reported under the caption "Executive Officers of the Registrant" in Part I of this Annual Report on Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

The information set forth under the headings "Compensation Discussion and Analysis," "Executive Compensation," "Proposal 1. Election of Directors—Director Compensation Program" and "Corporate Governance—Compensation Committee Interlocks and Insider Participation" of the 2016 Proxy Statement is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information set forth under the headings "Security Ownership of Certain Beneficial Owners and Management" of the 2016 Proxy Statement is incorporated herein by reference.

Equity Compensation Plan Information

The following table gives information about our common stock that may be issued upon the exercise of options, warrants and rights under all of our equity compensation plans as of December 31, 2015.

	Number of securities to be issued upon exercise of outstanding options (a)	Weighted average exercise price of outstanding options (b)	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by stockholders	—	$ —	—
Equity compensation plans not approved by stockholders	13,983,399	$ 11.19	9,557,263

(a) Includes shares of common stock to be issued upon the exercise of outstanding options under our 2014 Omnibus Plan, the Sovereign 2012 MEIP and the Sovereign MEIP. Also includes 4,017,867 restricted share units under our 2014 Omnibus Plan and Sovereign 2012 MEIP (including shares that may be issued pursuant to outstanding performance-based restricted share units, assuming the target award is met; actual shares may vary, depending on actual performance).

(b) Excludes restricted share units which do not have an exercise price.

Sabre Corporation 2014 Omnibus Incentive Compensation Plan. The 2014 Omnibus Plan serves as successor to the Sovereign MEIP and Sovereign 2012 MEIP and provides for the issuance of stock options, restricted shares, restricted stock units ("RSUs"), performance-based RSU awards ("PSUs"), cash incentive compensation and other stock-based awards.

Sovereign Holdings, Inc. Management Equity Incentive Plan. Under the Sovereign MEIP, key employees and, in certain circumstances, the directors, service providers and consultants, of Sabre and its affiliates may be granted stock options. All shares available for future grants, along with shares that were covered by prior awards of stock options granted under the Sovereign MEIP that were forfeited or otherwise expire unexercised or without the issuance of shares of Sabre Corporation common stock, have been transferred to the Sovereign Holdings, Inc. 2012 Management Equity Incentive Plan, which have subsequently been transferred to the Sabre Corporation 2014 Omnibus Incentive Compensation Plan. Therefore, as of December 31, 2015, no shares remained available for future grants under the Sovereign MEIP.

Sovereign Holdings, Inc. 2012 Management Equity Incentive Plan. Under the Sovereign 2012 MEIP, key employees and, in certain circumstances, the directors, service providers and consultants, of Sabre and its affiliates may be granted stock options, restricted shares, restricted stock units ("RSUs"), performance-based awards and other stock-based awards. All shares available for future grants, along with shares that were covered by prior awards of stock options granted under the Sovereign MEIP that were forfeited or otherwise expire unexercised or without the issuance of shares of Sabre Corporation common stock, have been transferred to the Sabre Corporation 2014 Omnibus Incentive Compensation Plan. Therefore, as of December 31, 2015, no shares remained available for future grants under the Sovereign 2012 MEIP.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information set forth under the headings "Certain Relationships and Related Party Transactions" and "Corporate Governance—Board Composition and Director Independence" of the 2016 Proxy Statement is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information set forth under the headings "Principal Accounting Firm Fees" and "Audit Committee Approval of Audit and Non-Audit Services" under "Proposal 2. Ratification of Independent Auditors" of the 2016 Proxy Statement is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

The following documents are filed as part of this report.

1. *Financial statements.* The financial statements are set forth under Item 8 of this Annual Report on Form 10-K.

2. *Financial statement schedules.* Schedule II Valuation and Qualifying Accounts is filed as part of this Annual Report on Form 10-K and should be read in conjunction with the financial statements and notes thereto contained in Item 8.

All other financial statements and financial statement schedules for which provision is made in the applicable accounting regulations of the SEC are not required under the related instruction, are not material or are not applicable and, therefore, have been omitted.

3. *Exhibits.*

Exhibit Number	Description of Exhibits
2.1†	Put Call Acquisition Agreement, dated as of March 6, 2014 by and among Expedia, Inc., and Travelocity.com LP and Sabre GLBL Inc. (incorporated by reference to Exhibit 2.1 of Sabre Corporation's Amendment No. 1 to the Registration Statement on Form S-1 filed with the Securities and Exchange Commission on March 10, 2014).
2.2	Asset Purchase Agreement, dated as of January 23, 2015 by and among Expedia Inc., Sabre GLBL Inc., Travelocity.com LP and certain affiliates of Sabre GLBL Inc. and Travelocity.com LP (incorporated by reference to Exhibit 2.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 26, 2015).
2.3	Share Purchase Agreement, dated as of May 14, 2015 by and between Abacus International Holdings Ltd and Sabre Technology Enterprises II Ltd. (incorporated by reference to Exhibit 2.1 of Sabre's Corporation Current Report on Form 8-K filed with the Securities and Exchange Commission on May 14, 2015).
3.1	Third Amended and Restated Certificate of Incorporation of Sabre Corporation (incorporated by reference to Exhibit 3.1 of Sabre's Corporation Current Report on Form 8-K filed with the Securities and Exchange Commission on April 22, 2014).
3.2	Second Amended and Restated Bylaws of Sabre Corporation (incorporated by reference to Exhibit 3.2 of Sabre's Corporation Current Report on Form 8-K filed with the Securities and Exchange Commission on April 22, 2014).
4.1	Amended and Restated Registration Rights Agreement, dated as of April 23, 2014 by and among Sabre Corporation and the stockholders party thereto (incorporated by reference to Exhibit 4.1 of Sabre's Corporation Current Report on Form 8-K filed with the Securities and Exchange Commission on April 23, 2014).
4.2	Indenture, dated as of August 7, 2001, between Sabre Holdings Corporation and SunTrust Bank, as Trustee (incorporated by reference to Exhibit 4.2 of Sabre Corporation's Amendment No. 1 to the Registration Statement on Form S-1 filed with the Securities and Exchange Commission on March 10, 2014).
4.3	Second Supplemental Indenture, dated as of March 13, 2006, between Sabre Holdings Corporation and SunTrust Bank, as Trustee (incorporated by reference to Exhibit 4.3 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
4.4	Form of Senior Note due 2016 of Sabre Holdings Corporation (included in Exhibit 4.3).
4.5	Indenture, dated as of April 14, 2015, among Sabre GLBL Inc., each of the guarantors party thereto and Wells Fargo Bank, National Association, as trustee and collateral agent. (incorporated by reference to Exhibit 4.1 of Sabre's Corporation Current Report on Form 8-K filed with the Securities and Exchange Commission on April 15, 2015).
4.6	Form of 5.375% Senior Secured Notes due 2023 (included in Exhibit 4.5).
4.7	Indenture, dated as of November 9, 2015, among Sabre GLBL Inc., each of the guarantors party thereto and Wells Fargo Bank, National Association, as trustee and collateral agent. (incorporated by reference to Exhibit 4.1 of Sabre's Corporation Current Report on Form 8-K filed with the Securities and Exchange Commission on November 9 2015).
4.8	Form of 5.250% Senior Secured Notes due 2023 (included in Exhibit 4.7).
10.1	Loan Agreement, dated March 29, 2007, between Sabre Headquarters, LLC, as borrower, and JPMorgan Chase Bank, N.A., as lender (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).

Exhibit Number	Description of Exhibits
10.2	Amendment and Restatement Agreement, dated as of February 19, 2013, among Sabre Inc., Sabre Holdings Corporation, the subsidiary guarantors party thereto, the lenders party thereto, Deutsche Bank AG New York Branch, as administrative agent and Bank of America, N.A. as successor administrative agent (incorporated by reference to Exhibit 10.2 of Sabre Corporation's Amendment No. 1 to the Registration Statement on Form S-1 filed with the Securities and Exchange Commission on March 10, 2014).
10.3	Amended and Restated Guaranty, dated as of February 19, 2013, among Sabre Holdings Corporation, certain subsidiaries of Sabre Inc. from time to time party thereto and Bank of America, N.A., as administrative agent (incorporated by reference to Exhibit 10.3 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.4	Amended and Restated Pledge and Security Agreement, dated as of February 19, 2013, among Sabre Holdings Corporation, Sabre Inc., certain subsidiaries of Sabre Inc. from time to time party thereto and Bank of America, N.A., as administrative agent for the secured parties (incorporated by reference to Exhibit 10.4 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.5	First Lien Intercreditor Agreement, dated as of May 9, 2012, among Sabre Inc., Sabre Holdings Corporation, the other grantors party thereto, Deutsche Bank AG New York Branch, as administrative agent and authorized representative for the Credit Agreement secured parties, Wells Fargo Bank, National Association, as the Initial First Lien Collateral Agent and initial additional authorized representative, each Additional First Lien Collateral Agent and each additional Authorized Representative (incorporated by reference to Exhibit 10.5 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.7	First Incremental Term Facility Amendment to Amended and Restated Credit Agreement, dated as of September 30, 2013, among Sabre Inc., Sabre Holdings Corporation, the subsidiary guarantors party thereto, and Bank of America, N.A., as incremental term lender and administrative agent (incorporated by reference to Exhibit 10.7 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.8+	Sovereign Holdings, Inc. Management Equity Incentive Plan adopted June 11, 2007, as amended April 22, 2010 (incorporated by reference to Exhibit 10.8 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.9+	Form of Non Qualified Stock Option Grant Agreement under Sovereign Holdings, Inc. Management Equity Incentive Plan adopted June 11, 2007, as amended April 22, 2010 (incorporated by reference to Exhibit 10.9 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.10+	Form of Travelocity.com LLC Stock Option Grant Agreement (incorporated by reference to Exhibit 10.10 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.11+	Restricted Stock Grant Agreement, dated April 25, 2011, between Sovereign Holdings, Inc. and Carl Sparks (incorporated by reference to Exhibit 10.11 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.12+	Sovereign Holdings, Inc. Stock Incentive Plan Stock Settled SARs with Respect to Travelocity Equity, adopted April 5, 2012 (incorporated by reference to Exhibit 10.12 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.13+	Form of Stock Appreciation Rights Grant Agreement under the Sovereign Holdings, Inc. Stock Incentive Plan Stock Settled SARs with Respect to Travelocity Equity (incorporated by reference to Exhibit 10.13 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.14+	Amended and Restated Sovereign Holdings, Inc. Stock Incentive Plan for Travelocity's CEO Stock Settled SARs with Respect to Travelocity Equity, adopted March 15, 2011, as amended and restated May 3, 2012 (incorporated by reference to Exhibit 10.14 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.15+	Amended and Restated Stock Appreciation Rights Grant Agreement, dated May 15, 2012 between Sovereign Holdings, Inc. and Carl Sparks under the Amended and Restated Sovereign Holdings, Inc. Stock Incentive Plan for Travelocity's CEO Stock Settled SARs with Respect to Travelocity Equity (incorporated by reference to Exhibit 10.15 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.16+	Sovereign Holdings, Inc. 2012 Management Equity Incentive Plan adopted September 14, 2012 (incorporated by reference to Exhibit 10.16 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).

Exhibit Number	Description of Exhibits
10.17+	Form of Non Qualified Stock Option Grant Agreement under the Sovereign Holdings, Inc. 2012 Management Equity Incentive Plan (incorporated by reference to Exhibit 10.17 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.18+	Form of Restricted Stock Unit Grant Agreement under the Sovereign Holdings, Inc. 2012 Management Equity Incentive Plan (incorporated by reference to Exhibit 10.18 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.19+	Restricted Stock Unit Grant Agreement, dated November 1, 2012, between Sovereign Holdings, Inc. and Carl Sparks (incorporated by reference to Exhibit 10.19 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.20+	Form of Restricted Stock Unit Grant Agreement for Non Employee Directors under the Sovereign Holdings, Inc. 2012 Management Equity Incentive Plan (incorporated by reference to Exhibit 10.20 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.21+	Form of Non Qualified Stock Option Grant Agreement for Non Employee Directors under the Sovereign Holdings, Inc. 2012 Management Equity Incentive Plan (incorporated by reference to Exhibit 10.21 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.22+	Employment Agreement by and among Sabre Holdings Corporation, Sabre Inc., Sovereign Holdings, Inc. and Thomas Klein, dated August 14, 2013(incorporated by reference to Exhibit 10.22 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.23+	Employment Agreement by and among Sovereign Holdings, Inc., Travelocity.com, L.P. and Carl Sparks, dated March 22, 2011 (incorporated by reference to Exhibit 10.23 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.24+	Employment Agreement by and between Sovereign Holdings, Inc. and William Robinson, dated December 5, 2013 (incorporated by reference to Exhibit 10.24 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.25+	Employment Agreement by and between Sovereign Holdings, Inc. and Michael S. Gilliland, dated June 11, 2007 (incorporated by reference to Exhibit 10.24 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.26+	Amendment No. 1 to Employment Agreement by and between Sovereign Holdings, Inc. and Michael S. Gilliland, dated December 31, 2008 (incorporated by reference to Exhibit 10.26 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.27+	Amendment No. 2 to Employment Agreement by and between Sovereign Holdings, Inc. and Michael S. Gilliland, dated June 26, 2009 (incorporated by reference to Exhibit 10.27 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.28+	Amendment No. 3 to Employment Agreement by and between Sovereign Holdings, Inc. and Michael S. Gilliland, dated June 30, 2012 (incorporated by reference to Exhibit 10.28 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.29+	Revision to Amendment No. 3 to Employment Agreement by and between Sovereign Holdings, Inc. and Michael S. Gilliland, dated January 9, 2013 (incorporated by reference to Exhibit 10.29 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.30+	Employment Agreement by and between Sovereign Holdings, Inc. and Mark Miller, dated July 31, 2009 (incorporated by reference to Exhibit 10.30 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.31+	Letter Agreement by and among Sovereign Holdings, Inc., TVL Common, Inc. and Mark Miller, dated April 12, 2013 (incorporated by reference to Exhibit 10.31 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.32+	Employment Agreement by and between Sovereign Holdings, Inc. and Deborah Kerr, dated March 7, 2013 (incorporated by reference to Exhibit 10.32 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.33+	Employment Agreement by and between Sovereign Holdings, Inc. and Rick Simonson, dated March 5, 2013 (incorporated by reference to Exhibit 10.33 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.34+	Letter Agreement by and between Sovereign Holdings, Inc., and Michael Gilliland, dated September 18, 2013 (incorporated by reference to Exhibit 10.34 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).

Exhibit Number	Description of Exhibits
10.35+	Employment Agreement by and between Sovereign Holdings, Inc. and Sterling Miller, dated July 31, 2009 (incorporated by reference to Exhibit 10.35 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.36+	Employment Agreement by and between Sovereign Holdings, Inc. and Hugh Jones, dated July 29, 2009 (incorporated by reference to Exhibit 10.36 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.37+	Employment Agreement by and between Sovereign Holdings, Inc. and Greg Webb, dated February 2, 2011 (incorporated by reference to Exhibit 10.37 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.38	Amendment No. 1 to Amended and Restated Credit Agreement, dated as of February 20, 2014, among Sabre GLBL Inc., Sabre Holdings Corporation, each of the other Loan Parties, Bank of America, N.A., as administrative agent and the Lenders thereto (incorporated by reference to Exhibit 10.38 of Sabre Corporation's Amendment No. 1 to the Registration Statement on Form S-1 filed with the Securities and Exchange Commission on March 10, 2014).
10.39	First Revolver Extension Amendment to Amended and Restated Credit Agreement, dated as of February 20, 2014, among Sabre GLBL Inc., Sabre Holdings Corporation, each of the other Loan Parties, Bank of America, N.A., as administrative agent and the Revolving Credit Lenders thereto (incorporated by reference to Exhibit 10.39 of Sabre Corporation's Amendment No. 1 to the Registration Statement on Form S-1 filed with the Securities and Exchange Commission on March 10, 2014).
10.40	First Incremental Revolving Credit Facility Amendment to Amended and Restated Credit Agreement, dated as of February 20, 2014, among Sabre GLBL Inc., Sabre Holdings Corporation, each of the other Loan Parties, Bank of America, N.A., as administrative agent and the Revolving Credit Lenders thereto (incorporated by reference to Exhibit 10.40 of Sabre Corporation's Amendment No. 1 to the Registration Statement on Form S-1 filed with the Securities and Exchange Commission on March 10, 2014).
10.44	Income Tax Receivable Agreement dated as of April 23, 2014 between Sabre Corporation and Sovereign Manager Co-Invest, LLC (incorporated by reference to Exhibit 10.1 of Sabre's Corporation Current Report on Form 8-K filed with the Securities and Exchange Commission on April 23, 2014).
10.45	Amended and Restated Stockholders' Agreement dated as of April 23, 2014 by and among Sabre Corporation and the stockholders party thereto (incorporated by reference to Exhibit 10.2 of Sabre's Corporation Current Report on Form 8-K filed with the Securities and Exchange Commission on April 23, 2014).
10.46+	Form of Director and Officer Indemnification Agreement (incorporated by reference to Exhibit 10.46 of Sabre Corporation's Amendment No. 6 to the Registration Statement on Form S-1 filed with the Securities and Exchange Commission on April 4, 2014).
10.47+	Letter by and between Sovereign Holdings, Inc., Sabre Holdings Corporation and Sabre Inc. and Lawrence W. Kellner, dated August 30, 2013 (incorporated by reference to Exhibit 10.47 of Sabre Corporation's Amendment No. 3 to the Registration Statement on Form S-1 filed with the Securities and Exchange Commission on March 26, 2014).
10.48+	Sabre Corporation 2014 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.48 of Sabre Corporation's Amendment No. 3 to the Registration Statement on Form S-1 filed with the Securities and Exchange Commission on March 26, 2014).
10.49+	Form of Restricted Stock Unit Grant Agreement under the Sabre Corporation 2014 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.49 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 5, 2015).
10.50+	Form of Non Qualified Stock Option Grant Agreement under the Sabre Corporation 2014 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.50 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 5, 2015).
10.51+	Form of Restricted Stock Unit Annual Grant Agreement for Non Employee Directors under the Sabre Corporation 2014 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.51 of Sabre Corporation's Amendment No. 3 to the Registration Statement on Form S-1 filed with the Securities and Exchange Commission on March 26, 2014).
10.52+	Form of Restricted Stock Unit Initial Grant Agreement for Non Employee Directors under the Sabre Corporation 2014 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.52 of Sabre Corporation's Amendment No. 3 to the Registration Statement on Form S-1 filed with the Securities and Exchange Commission on March 26, 2014).

Exhibit Number	Description of Exhibits
10.53	Supplement No. 1, dated as of December 31, 2012, to the Pledge and Security Agreement dated as of May 9, 2012, among Sabre Holdings Corporation, Sabre Inc., the subsidiary guarantors and Wells Fargo Bank, National Association, as collateral agent for the secured parties (incorporated by reference to Exhibit 10.53 of Sabre Corporation's Amendment No. 4 to the Registration Statement on Form S-1 filed with the Securities and Exchange Commission on March 31, 2014).
10.54+	Letter Agreement by and between Sabre and Carl Sparks dated April 21, 2014 (incorporated by reference to Exhibit 10.54+ of Sabre's Corporation Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 12, 2014).
10.55+	Employment Agreement by and between Sabre Corporation and Rachel Gonzalez dated September 2, 2014 (incorporated by reference to Exhibit 10.55+ of Sabre's Corporation Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 12, 2014).
10.56+	Letter Agreement by and between Sabre Corporation and Sterling Miller dated October 20, 2014 (incorporated by reference to Exhibit 10.56+ of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 26, 2015).
10.57+	Sabre Corporation Non-Employee Directors Compensation Deferral Plan dated October 29, 2014 (incorporated by reference to Exhibit 10.57+ of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 26, 2015).
10.58	Second Amended and Restated Stockholders' Agreement dated as of February 6, 2015 by and among Sabre Corporation and the stockholders party thereto (incorporated by reference to Exhibit 10.58 of Sabre Corporation's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 3, 2015).
10.59+	Form of Award Agreement for Long-Term Stretch Program (incorporated by reference to Exhibit 10.1 of Sabre's Corporation Current Report on Form 8-K filed with the Securities and Exchange Commission on March 13, 2015).
10.60	Pledge and Security Agreement, dated as of April 14, 2015, among Sabre GLBL Inc., Sabre Holdings Corporation, the subsidiary guarantors party thereto and Wells Fargo Bank, National Association, as collateral agent (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 15, 2015).
10.61+	Employment Agreement by and between Sabre Corporation and Sean Menke, dated August 29, 2015 (incorporated by reference to Exhibit 10.61 of Sabre Corporation's Current Report on Form 10-Q filed with the Securities and Exchange Commission on October 29, 2015).
10.62+	Amendment to Letter Agreement by and between Sabre Corporation and Greg Webb, dated September 8, 2015 (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on September 9, 2015).
10.63	Pledge and Security Agreement, dated as of November 9, 2015, among Sabre GLBL Inc., Sabre Holdings Corporation, the subsidiary guarantors party thereto and Wells Fargo Bank, National Association, as collateral agent (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 9, 2015).
10.64+	Sabre Corporation Executive Deferred Compensation Plan (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 16, 2015).
10.65*†	Master Services Agreement dated as of November 1, 2015, between Sabre GLBL, Inc. and HP Enterprise Services, LLC, as provider.

Exhibit Number	Description of Exhibits
21.1*	List of Subsidiaries
23.1*	Consent of Ernst & Young LLP
24.1*	Powers of Attorney (included on signature page)
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase
101.DEF*	XBRL Taxonomy Extension Definition Linkbase
101.LAB*	XBRL Taxonomy Extension Label Linkbase

+ Indicates management contract or compensatory plan or arrangement.

† Confidential treatment has been granted to portions of this exhibit by the Securities and Exchange Commission.

* Filed herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

SABRE CORPORATION

Date: February 19, 2016

By: /s/ Richard A. Simonson
Richard A. Simonson
Executive Vice President and
Chief Financial Officer

KNOW ALL MEN BY THESE PRESENTS, that each individual whose signature appears below constitutes and appoints Thomas Klein, Richard A. Simonson, Rachel A. Gonzalez and Chris Nester, and each of them, his or her true and lawful attorney-in-fact and agent, with full power of substitution, for him or her and in his or her name, place and stead, in any and all capacities, to execute any or all amendments to this Annual Report on Form 10-K and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Tom Klein Tom Klein	President and Chief Executive Officer and Director (Principal Executive Officer)	February 19, 2016
/s/ Richard A. Simonson Richard A. Simonson	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	February 19, 2016
/s/ Jami B. Kindle Jami B. Kindle	Vice President of Global Accounting (Principal Accounting Officer)	February 19, 2016
/s/ George Bravante, Jr. George Bravante, Jr.	Director	February 19, 2016
/s/ Renée James Renée James	Director	February 19, 2016
/s/ Lawrence W. Kellner Lawrence W. Kellner	Director	February 19, 2016
/s/ Gary Kusin Gary Kusin	Director	February 19, 2016
/s/ Greg Mondre Greg Mondre	Director	February 19, 2016
/s/ Judy Odom Judy Odom	Director	February 19, 2016
/s/ Joseph Osnoss Joseph Osnoss	Director	February 19, 2016
/s/ Karl Peterson Karl Peterson	Director	February 19, 2016

SABRE CORPORATION
SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS
DECEMBER 31, 2015, 2014 AND 2013
(In millions)

	Balance at Beginning	Charged to Expense or Other Accounts	Write-offs and Other Adjustments	Balance at End of Period
Allowance for Doubtful Accounts				
Year ended December 31, 2015	$ 27.5	$ 8.6	$ (3.8)	$ 32.3
Year ended December 31, 2014	$ 25.9	$ 10.4	$ (8.8)	$ 27.5
Year ended December 31, 2013	$ 31.4	$ 7.1	$ (12.6)	$ 25.9
Valuation Allowance for Deferred Tax Assets				
Year ended December 31, 2015	$ 160.0	$ (69.8)	$ (9.5)	$ 80.7
Year ended December 31, 2014	$ 253.1	$ (79.3)	$ (13.8)	$ 160.0
Year ended December 31, 2013	$ 282.1	$ (32.6)	$ 3.6	$ 253.1
Reserve for Value-Added Tax Receivables				
Year ended December 31, 2015	$ 6.9	$ (3.1)	$ (2.0)	$ 1.8
Year ended December 31, 2014	$ 3.9	$ 4.0	$ (1.0)	$ 6.9
Year ended December 31, 2013	$ 36.7	$ (32.6)	$ (0.2)	$ 3.9

MASTER SERVICES AGREEMENT

BY AND BETWEEN

CUSTOMER AND PROVIDER

This Master Services Agreement (***"Master Agreement"***) is entered into as of November 1, 2015 (the ***"Effective Date"***), by and between:

1. Sabre GLBL Inc., a Delaware, on behalf of itself and its Affiliates;

AND

2. HP Enterprise Services, LLC, a Delaware limited liability company (***"Provider"***).

The Parties agree to the terms and conditions set forth in this Master Agreement (including the Exhibits referenced in this Master Agreement), and in each Service Agreement (including the Schedules referenced in each Service Agreement) executed by the Parties that references this Master Agreement. Capitalized terms used herein have the meaning set forth in the "Definitions" Exhibit (Exhibit 1) to this Master Agreement.

Signed for and on behalf of Customer:

Signature: /s/ Deborah Kerr

Name: Deborah Kerr

Title: EVP, Chief Product & Technology Officer

Date: November 20, 2015

Signed for and on behalf of Provider:

Signature: /s/ Kevin Jones

Name: Kevin Jones

Title: Senior Vice President

Date: November 20, 2015

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1. DEFINITIONS

All capitalized terms used in this Master Agreement (or any Exhibit hereto) and not defined shall have the meanings set forth in the "Definitions" Exhibit. All capitalized terms used in a Service Agreement (or any Schedule thereto) and not defined shall have the meanings set forth in the "Definitions" Exhibit or in the "Definitions" Schedule to the applicable Service Agreement.

2. CONTRACT DOCUMENTS; STRUCTURE OF AGREEMENT

2.1. Contract Documents

(a) Master Agreement

This Master Agreement, which includes the Exhibits hereto, sets forth the terms and conditions pursuant to which the Parties may enter into Service Agreements for the provision of Services.

(b) Service Agreements

Services will be provided by Provider in accordance with this Master Agreement and one or more supplements to this Master Agreement entered into by and between Customer (or another member of the Customer Group) and Provider, each substantially in the form of the "Form of Service Agreement" Exhibit, and including the Schedules thereto (each, a ***"Service Agreement"***). The terms and conditions of a particular Service Agreement apply only to such Service Agreement. The Customer Group member executing a Service Agreement hereunder shall be individually liable for its obligations under such Service Agreement, however, with respect to any individual Service Agreement, Customer will remain liable for all members of the Customer Group receiving Services under such Service Agreement, including the Charges therefor.

(c) Agreement

The term ***"Agreement"*** means collectively, the Master Agreement, the Service Agreements, the Procedures Manuals and all Change Orders, which documents are incorporated into the "Agreement" by this reference.

2.2. International Agreements

(a) Implementation

To implement the Agreement for Services provided by Provider outside the United States, as mutually agreed to by Customer and Provider, and to implement changes as appropriate to reflect differences in local laws, regulations and taxes or customary business practices or the scope of Services provided in each such country in which a Service Agreement is to be implemented ("***Local Differences***"): (i) the respective Affiliates of Customer and Provider in each such country may execute an agreement or, in the case of jurisdictions where such an agreement already exists in respect of the Original Agreement

or Prior Agreement, an amendment (each, as amended from time to time, an ***"International Agreement"***) acceding to some or all of the terms and conditions of the Agreement in order to document agreed Local Differences or the performance of the Agreement between specific Affiliates of each of Customer and Provider on a local level, or (ii) Customer and Provider may adopt an amendment to the Agreement to be applicable for only specifically agreed countries in order to document agreed Local Differences to be applicable with respect to the performance of the Agreement in each such country. No such International Agreement is intended, nor shall any International Agreement be interpreted, to duplicate, enlarge, reduce or eliminate any responsibilities of either of the Parties under the Agreement except as required by local law or regulation. Performance or fulfillment by a Party or, on behalf of Provider by its delegate, of any obligation under the Agreement shall be considered performance or fulfillment of the corresponding obligation under the relevant International Agreement. Performance or fulfillment of any obligation by a party to the relevant International Agreement shall be considered performance or fulfillment of the corresponding obligation under this Agreement. Correspondingly, any defense, excuse or remedy available under the Agreement shall be available as a defense, excuse or remedy to the corresponding obligation under any International Agreement, provided that any such defenses, excuses or remedies and any and all claims under any International Agreement shall be exercised, invoked or asserted exclusively by the Parties to the Agreement under the procedures set forth in the Agreement. Any claim, defense, excuse or remedy available under any International Agreement shall be available to the Parties as a claim, defense, excuse or remedy to the corresponding obligation under the Agreement, provided, however, that the Parties hereby waive, to the fullest extent permitted by law, any claims, defenses, excuses or remedies available under local law of the country in which the International Agreement is to be performed and not set forth in the Agreement or the International Agreement at issue or otherwise provided by the laws of the United States or the State of Texas. Except as mandated by local laws or regulations, any International Agreements entered into are not intended to change in any substantive manner the terms and conditions of the Agreement, and any such purported changes shall not be effective without a written agreement between Customer Technical Alliance Manager and Provider Client Executive.

(b) Original Agreement and Prior Agreement

After the Effective Date, if either Party perceives the need therefor, the Parties agree to discuss in good faith the implementation of additional International Agreements or additional amendments to the Agreement to document Local Differences. The Parties agree and acknowledge that references to the Prior Agreement (as defined below) in each International Agreement shall be deemed to be references to this Agreement after the Effective Date, and that the Parties will take any steps reasonably necessary to carry out this intent in the local jurisdictions (if any).

2.3. Priority

In the event of a conflict: (i) the terms of this Master Agreement shall govern over the terms of the Exhibits; (ii) the terms of a Service Agreement shall govern over the terms of its

Schedules; (iii) the terms of this Master Agreement shall govern over the terms of each Service Agreement, unless the Service Agreement expressly and specifically notes the deviation(s) from the terms of this Master Agreement on a "Deviations From Master Agreement" Schedule to such Service Agreement; and (iv) this Master Agreement and the applicable Service Agreement(s) shall govern any Change Order, unless the Change Order expressly and specifically references the provisions of such documents which are to be superseded or amended.

2.4. Termination of Prior Agreement

Customer and Provider are parties to that certain Second Amended and Restated Information Technology Services Agreement, dated January 31, 2012, as amended and including the Schedules thereto (the ***"Prior Agreement"***). The Parties hereby agree that, as of the Effective Date of this Master Agreement, the Prior Agreement is hereby terminated in its entirety and all outstanding Project Plans issued thereunder (***"Prior Project Plans"***) shall be amended and restated to be Project Plans under Service Agreement No. 1 (***"Restated Project Plans"***). Pursuant to Section 13.1 of the Prior Agreement, those provisions of the Prior Agreement that would require survival in order to give it full force and effect after termination of the Prior Agreement shall so survive, but only with respect to the Parties' respective rights and obligations pertaining to periods during the term of the Prior Agreement. [* * *]

For the avoidance of doubt, neither Party, as a result of entering into this Master Agreement, will be deemed to have waived, or to have released the other Party from, any claim, issue or dispute arising after the Effective Date of this Master Agreement but relating to periods during the term of the applicable Prior Agreement, which such claims, issues or disputes shall be governed by the Prior Agreement (except as otherwise set forth in this Agreement). Except as expressly set forth in the preceding sentence, the Agreement shall govern all other claims, issues and disputes hereunder arising after the Effective Date. Notwithstanding anything to the contrary herein or in the Prior Agreement, any Company Information of one Party or its Affiliates that is, as of the Effective Date of this Master Agreement, in the possession of or under the control of the other Party shall become subject to the terms of Section 16 of this Master Agreement.

3. TERM OF AGREEMENT

3.1. Term of Master Agreement

Unless earlier terminated in accordance with the provisions of this Master Agreement, this Master Agreement will commence as of the Effective Date and will remain in effect until the later of: (i) December 31, 2022; or (ii) the anniversary of the first date on which no Service Agreement is in effect between the Parties (the ***"Term"***).

3.2. Term of Service Agreement

The term for each Service Agreement shall be as set forth therein, unless such Service Agreement is earlier terminated or extended in accordance with the provisions of this Master Agreement or such Service Agreement (the ***"Service Agreement Term"***).

3.3. Extension of Service Agreement

Customer may, at its sole option, extend the Service Agreement Term for a particular Service Agreement for up to three additional terms of up to 12 months each (each, an ***"Extension Period"***), by providing Notice to Provider at least 60 days prior to the scheduled expiration of the then-current Service Agreement Term. Any such Extension Period shall be on the terms, conditions and pricing in effect at the time of the commencement of such Extension Period, subject to any annual cost of living or other adjustment provided for in the "Charges" Schedule to such Service Agreement, and shall be considered an extension of the Service Agreement Term.

4. THE SERVICES

4.1. Services

(a) Obligation to Provide Services

Starting on the Commencement Date of each Service Agreement and continuing throughout the Service Agreement Term, Provider shall provide the Services to Customer and to other members of the Customer Group designated by Customer. The Parties acknowledge and agree that there are functions, responsibilities, activities and tasks not specifically described in the Agreement that are required for the proper performance and provision of the Services and are a necessary, customary part of the Customer Group's business or an inherent part of, or a necessary sub-part included within (i) any New Service, or (ii) with respect to the Services provided under Service Agreement No. 1, any Service as of the Effective Date that is consistent with historical practices and, with respect to Services provided under any other Service Agreement, the Commencement Date of the applicable Service Agreement. Such functions, responsibilities, activities and tasks, shall be deemed to be implied and included within the scope of the Services to the same extent and in the same manner as if specifically described in the Agreement, and shall include (without limitation) all of the services, functions, processes, and responsibilities performed by Provider under the Prior Agreement at any time during the twelve (12) month period prior to the Effective Date unless and when (A) expressly changed in this Agreement or (B) clearly no longer applicable due to the changes in the Services under the Transformation Plan or other evolution of Services hereunder.

(b) Affiliate Participation

(i) If Customer or any Affiliate of Customer merges with or otherwise acquires a Person or assets from a Third Party (an ***"Acquired Business"***), then, at Customer's election, such Acquired Business will become subject to this

Agreement as a member of the Customer Group and: (i) the Services shall be provided to the Acquired Business; and (ii) (A) the Charges shall be adjusted in accordance with the terms of the Agreement and the applicable charging methodologies; or (B) if there are material changes in volumes of Services requested, the costs to deliver the Services, or the manner in which Services are delivered, resulting from the integration of such Acquired Business that are not contemplated by clause (A), the Parties will renegotiate in good faith all affected Charges to account for those material changes in accordance with the Change Control Procedures. Charges for the integration of such Acquired Business will be handled on a Project basis, according to the terms and pricing under the applicable Service Agreement. If the Acquired Business is a party to an agreement with Provider and the services under such agreement are integrated with the Services, then any termination charges under such agreement shall be waived.

(ii) If Customer or any Affiliate of Customer divests or no longer Controls one or more Affiliates or other asset, operation or entity that was receiving Services under the Agreement (a ***"Divested Business"***), then, at Customer's election, Provider shall continue to provide Services to such Divested Business, pursuant to a subcontract between Customer and the Divested Business, for the period requested by Customer, not to exceed 24 months after the closing date of such transaction (the ***"Divestiture Period"***). Provider shall provide the Services to the Divested Business in accordance with the terms and conditions (including pricing) of the Agreement (the terms of which, notwithstanding anything to the contrary set forth in the Agreement, may be disclosed to such Divested Business and its acquirer). Customer will continue to be responsible for the Divested Business under the Service Agreement, including the Charges for such Services (based on existing charging methodologies), unless Provider and the Divested Business (or the acquirer of such Divested Business) enter into a separate agreement for provision of such Services. In such event, or upon the conclusion of the Divestiture Period, the applicable Service Agreement(s) shall be modified to reflect the reduction in Services and Charges.

(c) Authorized Recipients

Customer Group's rights under this Agreement include, without limitation, the right for Customer Group to: (i) include any Services in, or use any Services to offer or provide, any offering of products, services, information or associated access rights that are offered or provided by Customer Group to Authorized Recipients (or to perform contractual obligations to Authorized Recipients); or (ii) use any Services to receive products, services, information or associated access rights from Authorized Recipients (or to receive performance of contractual obligations by Authorized Recipients). Customer shall be responsible to Provider for any such use or access by Authorized Recipients.

4.2. New Services

(a) Procedures

If Customer requests that Provider perform any New Services reasonably related to the Services or other services generally provided by Provider, Provider shall, after receiving each request for New Services from Customer, either (i) promptly provide Notice to Customer that Provider will not bid on the New Services (each, a ***"No Bid"***), or (ii) prepare, at no additional charge to Customer, a New Services proposal for Customer's consideration within ten Business Days of Customer's request (unless a longer period of time is agreed upon by the Parties). Provider's New Services proposal shall include the elements set forth in Section 4.2(b) below, unless otherwise agreed by the Parties. Customer may accept or reject any New Services proposal in its sole discretion and Provider shall not be obligated to perform any New Services to the extent the proposal is rejected. If Customer accepts Provider's proposal, Provider will perform the New Services and will be paid in accordance with the proposal submitted by Provider, or other terms as may be agreed upon by the Parties, and the applicable provisions of the Agreement. Upon Customer's acceptance of a New Services proposal, the scope of the Services will be expanded to include such New Services and such accepted New Services proposal will be documented in a Change Order or in a new Service Agreement, as applicable. Notwithstanding any provision to the contrary: (i) Provider shall act reasonably and in good faith in formulating its pricing proposal, (ii) Provider shall use commercially reasonable efforts to identify potential means of reducing the cost to Customer, including utilizing Provider Agents as and to the extent appropriate, (iii) such pricing proposal shall be no less favorable to Customer than the lowest pricing and labor rates set forth in the Agreement for comparable or similar Services, and (iv) such pricing proposal shall take into account the existing and future volume of business between Customer and Provider.

(b) New Service Proposal

Provider's proposal for New Services requested by Customer shall include the following, as applicable:

(i) a detailed description of the implementation services and on-going services that Provider anticipates performing in connection with such New Services;

(ii) a commercially reasonable schedule and Transition Plan for implementing the New Services;

(iii) Provider's proposed charges for such New Services (in accordance with Section 4.2(a)), including a detailed breakdown of any such charges (which shall be quoted as a fixed fee or on a "time and materials" basis, as requested by Customer);

(iv) an estimate of Provider's human resources necessary to provide such new Services, including implementation and on-going services;

(v) a description of any new or additional Software, tools, Equipment or other resources required for Provider to implement and provide such New Services; and

(vi) any other information reasonably requested by Customer.

4.3. Performance and Service Levels

(a) Service Levels

Provider agrees that the performance of the Services will meet or exceed each of the applicable Service Levels set forth in the "Service Level Agreement" Schedule to each Service Agreement, subject to the limitations and in accordance with the provisions set forth in the Agreement. In addition, Provider will, on a continuous basis, and at no additional charge (i) identify ways to improve the Service Levels and (ii) identify and apply proven techniques and tools from other installations within its operations that would benefit Customer Group either operationally or financially. Any changes to the Service Levels are subject to Customer's approval. Provider will provide all Services without expressly defined Service Levels with at least the same degree of accuracy, quality, completeness, timeliness, responsiveness and efficiency as the level provided prior to the Effective Date by or for Customer Group. Provider will perform all tasks necessary to complete the Services in a timely and efficient manner, using standard methodology and tools.

(b) Modification of Service Levels

The Service Level Agreement for each Service Agreement will include procedures for implementing changes, modifications, deletions and replacements of and additions to, the Service Level and associated Service Level Credits.

(c) Performance Monitoring

Provider shall implement and operate all measurement and monitoring tools and procedures required to measure and report its performance relative to the applicable Service Levels, such that such measurement and reporting is clear and unambiguous and reasonably supported by objective data. To the extent not specified in the Service Level, Provider will use market standard measurement and monitoring tools where available, so long as such measurement and reporting tools provide clear and unambiguous reporting reasonably supported by objective data. The Service Level measurement, monitoring and reporting processes will be subject to audit by Customer in accordance with Section 14.

(d) Performance Reports

Each Service Level will be measured on at least a monthly basis, unless otherwise indicated in the applicable Service Agreement. Provider shall provide, as part of Provider's monthly performance reports, a set of hard- and soft-copy reports to verify Provider's performance and compliance with the Service Levels ***("Performance Reports")***. Provider

shall provide Customer Group access to any details or supporting information used to generate such Performance Reports.

4.4. Customer Policies

Provider shall perform the Services in accordance with all policies and procedures of general application of Customer Group as set forth in the "Customer Policies" Exhibit, (collectively, ***"Customer Policies"***) and, subject to the Change Control Procedures, such amendments, updates and changes thereto, as published by Customer Group from time to time. For the avoidance of doubt, the Change Control Procedures shall govern the method of implementation and pricing with respect to amendments, updates and changes to the Customer Policies, but will not grant Provider any right to refuse to implement changes necessary to comply with amendments, updates and changes to the Customer Policies.

4.5. Provider to Provide and Manage Necessary Resources

Except as otherwise provided in the Agreement, Provider will have the responsibility and obligation to provide and administer, manage, support, maintain and pay for all resources (including personnel, hardware, software, facilities, furniture, fixtures, Equipment, space and all upgrades, improvements, replacements services and other items, however described) necessary or appropriate for Provider to provide, perform and deliver the Services.

4.6. Reports

Provider will provide those reports generally identified in the Agreement, including in the "Reports" Schedule to each Service Agreement, and such additional reports as agreed by the Customer Technical Alliance Manager and the Provider Client Executive during the Transition period and from time to time during the applicable Service Agreement Term (***"Reports"***), in accordance with the requirements (including any timing requirements) set forth in the Agreement, including in the "Reports" Schedule to each Service Agreement. Such Reports shall include: (i) reports detailing Provider's compliance with the Agreement, including the Performance Reports, and Provider's compliance with its responsibilities under the Service Agreement(s), Provider's regulatory requirements, Customer Compliance Requirements, Security Requirements, and such other aspects of the Services that Customer reasonably requests; and (ii) reports regarding Software compliance, Asset inventory, Software usage and Asset usage. For any Reports to be provided with a frequency of monthly or longer, such Reports and other documentation must be available in electronic format and provided to Customer in accordance with the agreed schedule for such Reports. With regard to Reports documenting Provider's performance, Provider will set forth any deviations from the performance requirements and include a plan for corrective action where such deviations are material. Provider will provide those Reports identified in the "Reports" Schedule as being "current" or "standard" during the first month following the applicable Commencement Date. Provider will provide all other reports identified in the "Reports" Schedule within the time frame identified therein or, if not identified, within 60 days of the applicable Commencement Date, except to the extent that such Reports are to be provided less frequently than monthly, which Reports will be provided at the next scheduled time thereafter.

4.7. Development and Maintenance of Procedures Manual

The operational policies and procedures applicable to the provision of the Services described in each Service Agreement shall be set forth in an operational procedures manual to be developed by Provider in accordance with the "Procedures Manual Requirements" Schedule and the "Transition" Schedule, subject to the review and written approval of Customer (each, as approved by Customer, a ***"Procedures Manual"***). Provider will be responsible for the preparation, accuracy, maintenance and currency of the Procedures Manuals and will prepare and provide to Customer, in both print and electronic formats, proposed updates thereto as necessary to reflect any substantive changes therein or improvements thereto within a reasonable time prior to the implementation of such changes. Either Party may, from time to time, request updates or amendments to the Procedures Manuals. Changes to the Procedures Manuals will be made in accordance with the Change Control Procedures. Provider will perform its obligations under this Section 4.7, including any obligations required through the Change Control Procedures, at no cost to Customer. To the extent any portion of the Procedures Manuals does not constitute Work Product, and notwithstanding any other provisions in the Agreement to the contrary, Provider hereby grants to Customer Group an irrevocable, perpetual, nonexclusive, worldwide, paid-up license to use, execute, operate, reproduce, display, perform, modify, develop, and personalize the Procedures Manuals.

4.8. Provider Excused Performance

Except as provided in the remainder of this Section, Provider shall be responsible for the performance of the Services in accordance with the Agreement even if such Services are actually performed or dependent upon services performed by Provider Agents or Third Party Providers for whom Provider is financially or operationally responsible under the Agreement. Customer will perform its duties, obligations and responsibilities (***"Responsibilities"***) set forth in the Agreement. An act (other than in accordance with this Agreement), error or omission by Customer (or by a third party supplier independently hired by Customer in connection with performance of a Responsibility), or a failure by Customer to perform any Responsibilities (in each instance, a ***"Customer Failure"***), will excuse Provider's obligation to perform its obligations under the Agreement only if and to the extent Provider: (i) provides Notice to Customer of such Customer Failure within 72 hours after it first knew of, or should have known of (given the scope of its responsibilities), such Customer Failure (which Notice shall describe the effect of such Customer Failure on Provider's performance); (ii) provides Customer with every reasonable opportunity to correct such Customer Failure and mitigate the effect of such Customer Failure on Provider's performance; (iii) demonstrates that such Customer Failure was the direct cause of Provider's inability to perform and that neither Provider nor any Provider Agent contributed to or caused such Customer Failure; (iv) identifies and pursues all commercially reasonable means to avoid or mitigate the impact of such Customer Failure; and (v) uses commercially reasonable efforts to perform notwithstanding such Customer Failure. Provider's sole remedy for any Customer Failure shall be the excuse provided for in this paragraph.

5. SERVICE LOCATIONS

5.1. Service Locations; Facilities

(a) Service Locations

Provider shall support, and provide Services to, the Service Locations specified in the applicable Service Agreement.

(b) Facilities

Provider shall provide the Services only at or from the Facilities specified in the applicable "Facilities" Schedule.

(c) Offshore Plan

Each Service Agreement that contemplates the provision of Services from any offshore Facilities shall include an offshore plan as part of the "Facilities" Schedule that provides, in reasonable detail: (i) the specific Services to be provided at each offshore Facility; (ii) the percentage of each Service that will be migrated to such offshore Facility; (iii) the timeframe within which each Service will migrate from the onshore Facility to such offshore Facility; (iv) the quality control and risk mitigation procedures to be followed by Provider in migrating Services offshore; and (v) any other relevant detail agreed upon by the Parties (the ***"Offshore Plan"***). Provider is not required to obtain Customer's approval to migrate Services offshore to the extent such migration is part of the Offshore Plan and is conducted in accordance with the Offshore Plan. Any material changes to the Offshore Plan will be subject to the Change Control Procedures.

(d) Other Offshore Considerations

In addition to the above, the Offshore Plan may include a maximum percentage of each Service that may be migrated to a particular offshore Facility. In such event, Provider may continue to migrate such Services (up to the maximum percentage) from an onshore Facility to such offshore Facility upon Notice to Customer (but without requiring Customer approval), even if such migration occurs after the date set forth in the Offshore Plan, provided the migration is in accordance with the other requirements of the Offshore Plan, including the quality control and risk mitigation procedures.

(e) Storage and Processing of Customer Data

[* * *]. For the avoidance of doubt, Provider may Process any Customer Data which is not Personally Identifiable Information solely at or from a Facility. In addition to and without limitation of the foregoing, any and all Processing of Customer Data by Provider and Provider Agents shall be limited to such Processing as is necessary to perform and provide the Services to Customer Group and to otherwise fulfill Provider's obligations under the Agreement.

(i) Facility Relocation

The Parties shall use the Change Control Procedures to add, change or delete Facilities (each, a ***"Facility Relocation"***), provided, however, that Customer may withhold

its consent, in its sole discretion, (i) to any Facility Relocation involving a Data Center (or any physical assets within the Data Center or any Services provided via operation of those physical assets); (ii) as set forth in paragraph (e) above with respect to storage or Processing of Personally Identifiable Information. In connection with any proposed Facility Relocation or Service Relocation, Provider shall address in writing to Customer the impact of any such move on Customer (including cost and timing of any such move and any potential impact of such move on the Disaster Recovery Services).

(g) Services Relocation

The Offshore Plan may include a list of those Services that are approved for Provider performance at or from each Facility. The Parties shall use the Change Control Procedures to move Services to another Facility (a ***"Service Relocation"***) and any such move shall require Customer's prior written consent, in its reasonable discretion and in accordance with the Change Control Procedures, unless such Service Relocation is provided for and conducted in accordance with the Offshore Plan, in which case Provider shall Notify Customer prior to the Service Relocation, but no such consent from Customer shall be required. Provider shall be financially responsible for all additional costs, taxes or expenses resulting from any Provider-initiated Facility Relocation, Service Relocation or relocation to an Alternate Facility (as defined in the applicable Offshore Plan), including any costs or expenses incurred or experienced by Customer Group as a result of such relocation. Customer shall be financially responsible for all additional costs, taxes or expenses resulting from any Customer-initiated Facility Relocation or Service Relocation. The consent requirements of this Section 5.1(g) are in addition to and without limitation of the other consent requirements set forth in this Section 5.

(h) Physical Safety and Security

Provider will maintain and enforce at the Provider Facilities physical safety and security procedures that are at least equal to industry standards for locations similar to the Provider Facilities and any higher standard agreed on by the Parties, and that otherwise comply with the Security Requirements.

(i) Offshore Facilities; Customer-Required Relocation.

(i) Without limitation of the other provisions of this Section 5, no Services will be provided in any offshore Facility without the prior written consent of Customer, in its reasonable discretion (or, in those cases in which Customer's sole consent is required, in its sole consent), unless and to the extent specified in the "Facilities" Schedule. Provider will be responsible for obtaining any and all necessary approvals, and for complying with any and all necessary approvals, and for complying with any and all applicable Laws, including any export and import control Laws, associated with providing Services from an offshore Facility, in each case to the extent applicable to Provider.

(ii) Customer may require a Facility Relocation upon: (a) the occurrence or threat of one or more acts of terrorism in any jurisdiction in which a Provider Facility is located; or (b) the declaration or initiation of war (digital or physical) or acts related to war (digital or physical) or the threat thereof, in or related to any jurisdiction in which a Provider Facility is located, where Customer determines in its reasonable and good faith discretion that the events in (a) or (b) will: (y) cause or reasonably threaten to cause material damage or disadvantage to Customer Group, or any Assets, business or personnel of Customer Group; or (z) materially limit or reasonably threaten to materially limit Provider's ability to provide such Services or Customer Group's ability to receive and use such Services (***"Customer Required Relocation"***). In such event, the Parties will use the Change Control Procedures to document the relocation and any costs or Charges adjustments in connection with same. Both Parties will use commercially reasonable efforts to minimize costs and expenses incurred in connection with the foregoing.

(j) Changes to Service Locations

At any time during the Service Agreement Term, Customer may add, change or remove a Service Location and, in accordance with the applicable "Service Description" Schedule, and the Change Control Procedures, Provider shall assist Customer with such addition, change or removal in accordance with this Section 5.1.

5.2. Use of Customer Facilities

Customer shall provide Provider with access to and the use of Customer Facilities identified in the applicable Service Agreement for the periods and Services specified therein, subject to the following:

(a) Customer Facility Restrictions

(i) Provider may occupy such space solely for purposes of providing the Services and not for the provision or marketing of services to other customers of Provider.

(ii) In the use of such space, Customer agrees to supply reasonable office services and supplies, such as water, sewer, heat, lights, air conditioning, electricity and office equipment for Provider Personnel; provided, however, that Provider Personnel will supply their own cell phones and internet access. Office space will be provided in accordance with Customer's space standards, which Customer may revise from time to time in its sole discretion.

(iii) Provider will be solely responsible for the conduct, welfare and safety of the Provider Personnel while in Customer Facilities and will take all necessary precautions to prevent the occurrence of any injury to persons or property or

any interference with Customer Group's operations while occupying such space.

(iv) When working at any Customer Facility, Provider Personnel will comply with Customer Group's security, information security, administrative, safety and other rules, regulations, policies and procedures, including the Security Requirements. Customer will make such policies and procedures available to Provider prior to Provider Personnel entering any Customer Facility, and will notify Provider of any subsequent modifications or amendments thereto.

(v) No interest in any such Customer owned or leased Facility is conferred upon Provider beyond the limited right to use such Facility for purposes of the Agreement. Provider will not take any action that results in the placement of any lien on any Customer Facility or any Customer Group property.

(vi) Provider recognizes that Customer Group's resources, including office equipment and supplies, computer software and hardware, and data/voice/image storage and transmission equipment, are intended for Customer Group business use only. Provider shall use any such resources only in connection with the performance of Services under the Agreement.

(vii) Provider recognizes that Customer does not guarantee the privacy or security of documents and messages stored in Customer Group-owned files, desks, storage areas, or electronic media and that Provider shall have no expectation of privacy or security in such documents and messages. Customer Group personnel shall have access to information stored in or on property or equipment owned or leased by Customer Group.

(b) No Warranty

THE CUSTOMER FACILITIES ARE PROVIDED BY CUSTOMER TO PROVIDER ON AN AS-IS, WHERE-IS BASIS. CUSTOMER EXPRESSLY DISCLAIMS ANY WARRANTIES, EXPRESS OR IMPLIED, AS TO THE CUSTOMER FACILITIES, OR THEIR CONDITION OR SUITABILITY FOR USE BY PROVIDER.

5.3. Shared Service Locations

If (i) Provider provides the Services to Customer Group from a Provider Facility that is shared with a Third Party or Third Parties or from a Provider Facility from which Provider provides services to a Third Party or Third Parties, or (ii) any part of the business of Provider or any such Third Party is now or is in the future competitive with any part of the business of Customer Group, then Provider shall develop a process, subject to Customer's written consent, to restrict physical and logical access in any such shared environment to Customer Group's Company Information so that Provider Personnel providing services to any competitor of Customer Group do not have access to Customer Group's Company Information. Such process shall be in compliance with Section 16.

6. CONTINUED PROVISION OF SERVICES

6.1. Disaster Recovery and Business Continuity Services

(a) Disaster Recovery Services

Disaster Recovery Services and responsibilities shall be provided pursuant to a Service Agreement and subject to the applicable Charges set forth therein.

(b) Disaster

Upon Provider's determination that a disaster or business disruption has occurred or is imminent, Provider shall promptly notify Customer and undertake all applicable actions and precautions required pursuant to the "Disaster Recovery and Business Continuity Requirements" Schedule, or the applicable disaster recovery or business continuity plan developed pursuant thereto, and diligently pursue them as necessary to avoid or, if unavoidable, minimize any interruption of Services. During any disaster, Provider will notify Customer at least daily of the status of the disaster or business disruption. Upon completion of a disaster or business disruption, Provider will, as soon as reasonably practicable, provide Customer with an incident report detailing the reason for the disaster or business disruption and all actions taken by Provider to resolve the disaster or business disruption.

6.2. Force Majeure

(a) Generally

If and to the extent that a Party's performance is prevented or delayed as a result of a Force Majeure Event, then the affected performance will be excused for so long as the Force Majeure Event continues to prevent or delay performance and the Party continues efforts to recommence performance to the extent possible without delay, including through the use of alternate sources and workaround plans. The affected Party will promptly notify the other Party verbally (to be confirmed in writing within 24 hours of the inception of the delay), describing the Force Majeure Event and the affected performance obligations in reasonable detail, and shall thereafter provide the other Party with daily updates (and more frequent updates if requested) as to the status of its efforts to recommence performance and Notice upon conclusion of the Force Majeure Event.

(b) Alternate Source

If any Force Majeure Event substantially prevents, hinders, or delays performance of the Services necessary for the performance of Customer Group's critical functions for more than three consecutive days or a total of five days within any 30-day period, then Customer may:

(i) procure such Services from an alternate source until Provider is able to provide the Services. During the Force Majeure Event, Customer shall not be obligated to pay the Charges or any other amounts to Provider for the

relevant Services, and, to the extent that payments charged by the alternate source for such replacement services exceed what Provider's Charges hereunder for the Services so provided would have been, Provider and Customer will equally share such incremental charges until such time as Provider is able to restore the Services and meet the Service Levels, but in no event for more than 180 days; and

(ii) both Parties shall use commercially reasonable efforts to minimize any charges to be incurred from an alternate source. At such time as Provider is able to restore the Services and meet the Service Levels, Provider shall no longer be obligated to pay an alternate source for the provision of Services to Customer Group.

(c) Non-Excused Obligations

Notwithstanding Section 6.2(a) or 6.2(b), Force Majeure Events do not excuse any of Provider's disaster recovery and business continuity obligations under Section 6.1 or its obligations to meet the Security Requirements, except to the extent such failure to meet Provider's disaster recovery or business continuity obligations is the direct result of the Force Majeure Event and provided Provider continues to use commercially reasonable efforts to mitigate the impact or consequence of the event on Customer Group and to recommence performance whenever and to whatever extent possible without delay. In no event shall the non-performing Party be excused under this Section 6.2 for (i) any non-performance of its obligations under the Agreement having a greater scope or longer period than is justified by the Force Majeure Event; or (ii) the performance of obligations that should have been performed prior to the Force Majeure Event.

6.3. No Payment for Unperformed Services

Customer is not required to pay for those Services that are not performed, whether because of a disaster, Force Majeure Event or otherwise, regardless of whether such non-performance is excused.

6.4. Allocation of Resources

Whenever a Force Majeure Event or a disaster causes Provider to allocate limited resources among Provider's customers, Provider will not give other customers to which Provider provides a similar scope of services priority over Customer or redeploy or reassign any Key Personnel (except as permitted under this Agreement) to another Provider customer.

7. COMPLIANCE WITH LAWS

7.1. Compliance Generally

(a) Compliance with Laws

Provider shall perform the Services in compliance with:

(i) all Laws applicable to Provider as a provider of data processing services in its performance and delivery of the Services;

(ii) all Laws (including any guidance, bulletins, white papers, pronouncements, reports or similar communications issued by any Governmental Authority or applicable self-regulatory or industry body, that have the force of law or are treated in the industry as having the force of law, [* * *]) applicable to the portion of the operations of Customer Group performed by Provider as part of the Services, just as if Customer Group performed the Services themselves, as interpreted, augmented and modified by the Customer Compliance Directives (collectively, the ***"Customer Compliance Requirements"***); and

(iii) subject to the provisions of Section 7.2 below, all Customer Compliance Directives issued to Provider by Customer in writing.

(b) Privacy Laws

Without limiting Provider's other obligations under this Section 7, Provider (i) acknowledges that the Customer Data may be subject to Privacy Laws, and (ii) will comply with all Privacy Laws applicable to the Customer Data and the Services, as more particularly set forth in the "Privacy Requirements" Exhibit.

7.2. Changes in Laws

Provider and Customer will work together to identify the effect of changes in Laws or Customer Compliance Requirements on the provision and receipt of the Services and will promptly discuss the changes to the Services, if any, required to comply with all Laws and Customer Compliance Requirements. Any changes required as a result of a change in Laws shall be implemented in accordance with the provisions of Sections 7.2(a) and 7.2(b) and the Change Control Procedures.

(a) Provider Laws

Provider shall conform the Services in a timely manner to any changes in Laws referred to in Section 7.1(a)(i) at no additional charge to Customer.

(b) Customer Compliance Requirements

Provider shall conform the Services in a timely manner to any change in Customer Compliance Requirements (including new or revised Customer Compliance Directives), subject to Customer's approval as to the manner of such conformance. Provider is authorized to act and rely on each Customer Compliance Directive in the performance and delivery of the Services.

(i) With respect to any such modifications in Customer Compliance Requirements, [* * *]

(ii) In a quote submitted to Customer for review and acceptance, Provider shall identify the changes to the Services necessary to comply with such new or revised Customer Compliance Requirement and propose a method of integrating such changes, pursuant to the Change Control Procedures. Such changes shall: (x) be integrated in a cost-effective manner and without unnecessary disruption of Customer Group's ongoing operations (as modified by such changes); (y) equitably account for any efficiencies, economies or reduced or increased resource requirements resulting from any changes in the Services (including any efficiencies resulting from Provider's implementation of applicable changes for its other affected customers) or Service Levels resulting from such changes; and (z) include modified Charges that have been determined based on the rates agreed in the applicable Service Agreement and where no such rates are agreed, on a commercially reasonable basis consistent with the other Charges.

8. CHARGES; NEW SERVICES; INVOICES; AND PAYMENTS

8.1. Charges

In consideration of the Services under each Service Agreement, Customer will pay Provider the Charges set forth in the "Charges" Schedule to each Service Agreement, which will include the payments and payment-related terms. Except as expressly set forth in the Agreement, including the "Charges" Schedule, to the applicable Service Agreement, no other amounts are payable under the Agreement. Undisputed Charges are due and payable 60 days after receipt of invoice from Provider. Customer's payment shall be made by wire transfer to an account designated by Provider. Any unused credits against future payments (including Service Level Credits) owed to either Party by the other pursuant to a Service Agreement will be paid to the applicable Party within 60 days after the expiration or termination of the Service Agreement.

8.2. Invoices

Provider will invoice the Charges under each Service Agreement as set forth in the "Charges" Schedule, with invoices to include such detail as provided in the Service Agreement. No invoice for Charges for any of the Services shall be delivered to Customer until after the Services that are the subject of such invoice have been provided to Customer Group. However, any Services that are expressly stated in the applicable "Charges" Schedule as prepaid or paid in advance shall be excluded from the limitation of this provision to the extent, but only to the extent, expressly set forth in the Agreement. Provider shall not invoice, and Customer is not liable to pay, any Charges not invoiced within 90 days (or 180 days with respect to any Pass Through Charges) after the end of the month to which such Charges correspond. [* * *]

8.3. Taxes

(a) Responsibility

Customer shall be responsible and liable for Taxes arising from any provision of services or any transfer or lease of property by Provider to Customer, or imposed on any Charges, pursuant to this Agreement. Provider shall be responsible for all Taxes that are imposed on acquisition, ownership, or use of property or services by Provider or a Provider Affiliate in the course of providing property or services to Customer, it being understood and agreed that this provision shall not relieve Customer of its responsibility and liability for Taxes under this Section 8.3(a) which are imposed upon any transfer or lease of such property from Provider to Customer. Customer shall not be responsible for any Taxes (i) on Taxes previously paid or incurred by Provider or a Provider Affiliate, (ii) on Taxes imposed by a third party where Provider or a Provider Affiliate is acting as an agent and Customer has the responsibility to pay Taxes on charges associated with Managed Agreements; (iii) that are non-recoverable by Customer based on failure by Provider or a Provider Affiliate to register in foreign jurisdictions or provide an invoice in compliance with applicable law; or (iv) arising from the provision of services or the transfer or lease of property that are erroneously charged by Provider or a Provider Affiliate or third party provider where Provider or a Provider Affiliate serves as a pass through agent and are otherwise nontaxable or exempt under applicable Tax law. Customer shall be responsible and liable for all customs fees, duties and tariffs imposed on the importation of any goods provided by Provider or any Provider Affiliate to Customer or any Customer Affiliate hereunder. Provider shall be responsible and liable for all value added taxes, goods and services taxes, and similar types of taxes in the nature of a value added or goods and services tax, which are imposed upon the importation into any taxing jurisdiction of any property by Provider or a Provider Affiliate.

(b) Withholding Taxes

If a member of the Customer (i) receives notice or other instructions from a taxing authority that such Customer member is required to withhold Withholding Taxes or (ii) otherwise reasonably believes that it is required under applicable law to withhold Withholding Taxes from payments to Provider or any Affiliate of Provider, Customer (or

such Customer member) may withhold Withholding Taxes from such payments, in which case it will timely (a) remit such Withholding Taxes to the appropriate taxing authority and (b) provide to Provider copies of official tax receipts or other evidence sufficient to establish that any such Withholding Taxes have been remitted to appropriate taxing authorities. Provider may provide to Customer an exemption certificate acceptable to Customer and to the relevant taxing authority, in which case Customer will not withhold the Withholding Taxes covered by such certificate. Provider acknowledges that it will be responsible for all Withholding Taxes.

(c) Exemptions

Customer and each member of Customer shall pay or reimburse Provider for any Taxes for which it is responsible or liable under this Agreement that are invoiced by Provider or charged under a Managed Agreement by Provider to Customer or a member of Customer, or that are otherwise determined to be due and payable by a relevant taxing authority, unless Customer or the Customer member provides Provider or a Provider Affiliate with a valid and applicable exemption certificate, multi-state benefit certificate, or resale certificate or written explanation explaining why Customer or the Customer member believes the Tax is not applicable. In the event that Customer provides such a written explanation to Provider or a Provider Affiliate, Provider may at any time require Customer to deliver an opinion letter from outside counsel, selected by Customer and reasonably acceptable to Provider, that Customer's position is reasonable under the applicable tax law. The cost of such letter shall be paid by Customer. If such a letter is not delivered within 30 days of the request, Customer must pay the Taxes invoiced. Such certificate or written explanation does not relieve Customer or the Customer member of ultimate liability for the Tax to the extent the taxing authority disagrees with the Customer or the Customer member's position that no such Tax is due; provided, that Customer shall have no liability for Taxes either not yet due and payable or Taxes being contested (unless payment is a condition to contest) in accordance with subsection (e) of this Section.

(d) Reporting and Payment

Provider shall be responsible for reporting and payment of any real or personal property or ad valorem taxes due on property Provider or a Provider Affiliate owns and property taxes Provider or a Provider Affiliate otherwise has a responsibility to remit, and Customer and each member of the Customer shall be responsible for reporting and payment of any real or personal property or ad valorem taxes due on property it owns and property taxes it otherwise has a responsibility to remit.

(e) Tax Claims

If Provider or a Provider Affiliate receives notice from any taxing authority with respect to an assessment or potential assessment or imposition of any Tax that Customer would be responsible for paying pursuant to Section 8.3(a) or 8.3(c) of this Agreement, Provider shall immediately send Notice to Customer of such notice. To the extent directed by Customer in a Notice sent to Provider within 30 days of Customer's receipt of the Notice

from Provider (as described above), Provider and any relevant Provider Affiliate shall timely contest at Customer's direction relating to all actions to be taken to contest such proposed Tax and with Customer's participation, or, if Customer so directs and it is feasible for Provider and any relevant Provider Affiliate to segregate out the portion of the Tax claim that relates solely to Customer, permit Customer to contest, to the extent permissible under applicable Tax law and procedures, such proposed Tax, at Customer's expense and in a forum selected by Customer and with counsel selected by Customer and reasonably acceptable to Provider, until such assessment has been upheld by the decision of an appellate court; except that prior to any judicial contest Provider may require (as a condition to such judicial contest) an opinion letter from counsel selected by Customer and reasonably acceptable to Provider that there is a reasonable tax basis for such contest. Any Notice to a Party under this Section 8.3(e) shall also be copied directly to the tax department of that Party, in care of the Vice President-Tax Administration. To the extent Provider or a Provider Affiliate contests a proposed Tax at Customer's direction, and such contest involves claims with respect to Taxes for which Customer would not be responsible under Section 8.3(a) or 8.3(c), Customer shall be responsible only for that portion of expenses of Provider and any relevant Provider Affiliate as are reasonably allocable to the contest of Taxes for which Customer would be responsible under Section 8.3(a) or 8.3(c). Provider and any relevant Provider Affiliate may compromise, settle, or resolve such a Tax contest under this Section 8.3(e) without Customer's consent (provided such compromise, settlement, or resolution is limited only to the Taxes for the tax period involved) if Provider waives any indemnity rights Provider and any relevant Provider Affiliate has against Customer with respect to the Taxes being contested. Otherwise, neither Provider nor any relevant Provider Affiliate may compromise, settle, or resolve such Tax contest without Customer's consent. Notwithstanding the foregoing, should Customer (i) not direct Provider either to contest or permit Customer to contest, a proposed Tax within 30 days of Customer's receipt of the Notice from Provider described in the first sentence of this paragraph or (ii) revoke its Notice directing Provider to either contest or permit Customer to contest a proposed Tax, Provider shall be entitled to contest such proposed Tax at Provider's expense or compromise, settle, or resolve any contest with respect to such proposed Tax and Customer will be responsible for and liable for such Tax, as otherwise provided for in Section 8.3(a) or 8.3(c).

(f) Refunds

Customer and each member of the Customer shall be entitled to any Tax refunds or rebates granted to the extent such refunds or rebates are of Taxes that were borne by Customer or a Customer member. Customer or each Customer member may require Provider and any relevant Provider Affiliate, at the sole expense of Customer, to (i) apply for and diligently pursue a refund of Taxes otherwise payable by Customer or the Customer member, or (ii) if permitted by law, assign its rights to a refund claim for such Taxes to Customer or the Customer member.

(g) Cooperation

The Parties agree to reasonably cooperate with each other to enable each to more accurately determine its own tax liability (including Taxes, Withholding Taxes and property taxes) and to minimize such liability to the extent legally possible. Invoices issued by Provider or a Provider Affiliate shall separately state the amounts of any Taxes Provider or a Provider Affiliate is collecting from Customer. In the case of Customer, such cooperation shall include providing Provider or any relevant Provider Affiliate any applicable exemption or resale certificates, and information regarding out-of-province or out-of-country sales and use of equipment. In the case of Provider, such cooperation shall include providing Customer, at the reasonable and written request of Customer, with applicable information regarding delivery or use of materials, services, or sales, and taking reasonable additional steps to minimize Taxes, examples of which include providing Customer with thorough invoices and/or additional billing information that may be reasonably requested in order to determine the taxability of specific goods and services provided under this Agreement. If any Taxes are assessed on the provision of any of the Services, including telecommunications, or any portion of the Services that is treated as a sale or rental of tangible personal property to Customer, the Parties will work together to segregate all payments under this Agreement into three (3) payment streams: (i) those for taxable Services (separated into types of taxable Services) and taxable sale or rental of tangible personal property; (ii) those for nontaxable services; and (iii) those in which Provider or a Provider Affiliate functions merely as a payment agent for Customer in receiving goods, supplies or services (including telecommunications) that otherwise are nontaxable or have previously been subject to tax.

(h) Stamp Taxes

Responsibility for any stamp taxes (in all cases including any interest and penalties thereon) incurred with respect to International Agreements shall be as follows:

(i) Except as otherwise provided in Section 8.3(h)(ii) below or as otherwise specified in an International Agreement, Customer shall be responsible for any stamp taxes incurred with respect to International Agreements.

(ii) Provider shall be responsible for any stamp taxes incurred with respect to an International Agreement if such stamp taxes arise in connection with any of the following actions by Provider or any Provider Affiliate.

(1) [* * *]

(2) [* * *]

(A) [* * *]

(B) [* * *]

(C) [* * *]

(D) [* * *]

(E) [* * *]

(F) [* * *]

8.4. Market Currency and Benchmarking Procedures

Provider will perform annual reviews of the competitiveness of the Services and the Charges with respect to price and technology and process best practices, and Customer may require a benchmarking assessment and related adjustment of Charges as set forth in the "Market Currency Procedures" Exhibit.

8.5. Service Level Credits

If Provider fails to provide the Services in accordance with the Service Levels set forth in any "Service Level Agreement" Schedule to a Service Agreement, Provider shall apply the resulting Service Level Credits against the Charges owed to Provider for the month following the month in which the Service Level Credits were incurred, or as otherwise described in such "Service Level Agreement" Schedule. Provider acknowledges and agrees that (i) the Service Level Credits shall not be deemed or understood to be liquidated damages and (ii) neither the Service Level Credits nor any express non-financial remedy hereunder shall be deemed or understood to be a sole and exclusive remedy or in derogation of any other rights and remedies Customer has hereunder or otherwise at law or at equity.

8.6. Rights of Set-Off

Customer shall have the right to set off against amounts owed by Customer under the Agreement any amount that Provider is obligated to pay or credit Customer under this Agreement, including Service Level Credits, except to the extent such setoffs occur across different countries. Any such set-off shall not be treated as disputed under Section 8.7 or otherwise count towards the Aggregate Disputed Amount unless it is in fact the subject of a dispute.

8.7. Disputed Charges/Credits

Customer may withhold payment of any portion of an invoice that it disputes in good faith, up to an aggregate amount of [* * *] per Service Agreement (unless the Service Agreement provides for a different amount) ("***Aggregate Disputed Amount***"). Customer shall notify Provider of any such Dispute as soon as practicable after the discrepancy has been discovered. The Parties will investigate and resolve the Dispute using the Dispute Resolution Procedures. Unpaid amounts that are the subject of a good faith Dispute may be withheld by Customer and will not be considered a basis for monetary default under, or a breach of, the Agreement. Any undisputed amounts will be paid by Customer in accordance with Section 8.1. Customer's failure to dispute or withhold a payment will not operate as a waiver of the right to dispute and recover such amount. Customer shall deposit into an interest-bearing escrow account any disputed amount in excess of the Aggregate Disputed Amount within three Business Days after such disputed amounts are due, provided that

Customer shall retain any and all rights to contest Provider's entitlement to such disputed amount. Customer shall promptly furnish evidence of any escrow deposit to Provider. The escrow account will be established pursuant to an escrow agreement with a major national bank that provides that (i) the costs of such escrow account will be shared equally by the Parties, and (ii) the funds therein (including Charges and Taxes), including the accrued interest, will be disbursed to Customer or Provider, as applicable, in accordance with the results of the Dispute Resolution Procedures or by mutual agreement of the Parties. If Customer fails to escrow disputed amounts in accordance with this Section 8.7 within 30 days after Notice from Provider of Customer's failure to do so, Provider may, after giving Customer at least 15 days prior Notice, apply to a court of competent jurisdiction to seek injunctive relief for such failure.

8.8. Changes in Customer Business

(a) Changes

If Customer Group experiences or reasonably anticipates significant changes in the scope or nature of its business which have caused or are reasonably expected to cause an increase or decrease in the utilization of Services under any Service Agreement by more than [* * *], for a period of three months or more, such changes shall be governed by this Section 8.8; provided, that such decreases are not due to Customer's resuming the provision of such Services by itself or Customer transferring the provision of such Services to another Third Party Provider. Examples of the kinds of events that might cause such substantial increases or decreases include but are not limited to: (i) changes in Customer Group's products or markets; (ii) mergers, acquisitions or divestitures; (iii) changes in market priorities; (iv) reduction in demand for Customer Group's products or services; or (v) general business or economic downturn.

(b) Plan for Adjustment

Customer will notify Provider of any event or discrete set of events which qualifies under this Section 8.8, and Provider will identify any changes that can be made to accommodate such decrease or increase of resource requirements in a cost-effective manner without disruption to Customer Group's ongoing operations, and the cost savings that will result therefrom, in a plan that will be submitted to Customer for review and acceptance. Such changes shall:

(i) equitably account for any efficiencies, economies or reduced or increased resource requirements resulting from any changes in the Services proposed by Provider; and

(ii) provide for changes to the Charges and other terms that have been determined on a commercially reasonable basis consistent with the other Charges and terms.

(c) Implementation of Adjustment

Upon acceptance by Customer, Provider will make any applicable adjustments to the Charges and the related Resource Unit volumes (if applicable) and other terms to reflect the foregoing and distribute an amended "Charges" Schedule and executed a Change Order to the affected Service Agreements to Customer.

9. PROVIDER OBLIGATIONS

9.1. Cooperation and Good Faith

The Parties covenant to timely and diligently cooperate in good faith to effect the purposes and objectives of the Agreement. Except as otherwise provided herein, neither Party shall unreasonably withhold or delay any consent, approval or request by the other Party required under the Agreement. Each Party recognizes that Provider Personnel providing Services to Customer Group under this Agreement may perform similar services for others, except as otherwise specified in the Agreement or as otherwise agreed to by the Parties in writing. Provider shall not without the prior written consent of Customer use any of the assets owned, licensed or leased by Customer on or after the Effective Date to perform services for others.

9.2. Services

Provider shall render Services using personnel that have the necessary knowledge, training, skills, experience, qualifications and resources to provide and perform the Services in accordance with the Agreement, and shall render Services in a prompt, professional, diligent, and workmanlike manner, consistent with industry standards applicable to the performance of such Services.

9.3. Continuous Improvement

Provider shall diligently and continuously improve the performance and delivery of the Services by Provider and the elements of the policies, processes, procedures and systems that are used by Provider to perform and deliver the Services, including re-engineering, tuning, optimizing, balancing and reconfiguring the processes, procedures and systems used to perform, deliver, track and report on, the Services, subject to the approval of Customer in accordance with the Change Control Procedures. From time to time, Customer may request that Provider work together with Customer or Third Parties to identify ways to achieve reductions in the cost of, and greater efficiencies with, delivering the Services and corresponding reductions in the Charges and provide a report to Customer regarding the same. If so requested by the Customer Technical Alliance Manager, Provider will, at its own expense, promptly prepare and deliver to Customer, within 60 days (or such longer period as may be agreed), a detailed proposal identifying all viable means of achieving the desired reductions without, to the extent practically possible, adversely impacting business objectives or requirements identified by Customer. Customer will not be obligated to accept or implement any such proposal.

9.4. Technology; Best Practices

Provider will: (i) provide the Services using technology at a level current with the technology that Provider implements for its general internal operations and at least comparable to the level of technology generally adopted from time to time for provision of similar services in the information technology industry; (ii) keep knowledgeable about changes and advancements over time in the technology necessary to provide the Services; and (iii) in performing the Services, utilize processes, procedures and practices that are consistent with the best practices it utilizes in performing services similar to the Services for its other customers, which practices will, at a minimum, be consistent with the best practices of similarly situated providers offering similar services within the information technology industry.

9.5. No Solicitation

During the Term, neither Party shall knowingly solicit any employee or subcontractor of the other Party or its Affiliates who is or was actively involved in the performance, provision or use of any of the Services, or knowingly hire any employee or subcontractor of the other Party or its Affiliates who is or was actively involved in the performance, provision or use of any of the Services, unless otherwise agreed in writing by the Parties and except as permitted upon termination or expiration as provided for in Section 18.6(b). Notwithstanding the foregoing, the Parties acknowledge and agree that this Agreement will not prohibit (i) solicitations through general public advertisements or other publications of general public circulation not targeted directly or indirectly at the other Party's employees, or (ii) the solicitation for employment or employment by one Party of a former employee or an individual subcontractor of the other Party who, at the date of such solicitation or employment, was not an employee or an individual subcontractor of such Party and either (a) had not been an employee or individual subcontractor of such Party at any time during the previous 12 months or (b) had been an employee or individual subcontractor of such Party at some time during the previous 12 months, but had been laid off or had their employment otherwise involuntarily terminated by such Party.

9.6. Export; Regulatory Approvals

(a) Export Laws

(i) The Parties acknowledge that the export, re-export, transfer, provision or release of products, services, technology, technical data and software ("items") undertaken pursuant to this Agreement may be subject to licensing requirements or other restrictions under export and sanctions laws and regulations of the United States and other national governments, which include, without limitation, the Export Administration Regulations, 15 C.F.R. Parts 730-774, administered by the U.S. Department of Commerce's Bureau of Industry and Security and the regulations and sanctions programs administered by the U.S. Department of the Treasury's Office of Foreign Assets Control, 31 C.F.R. Parts 500-599; and the laws and regulations of other countries with jurisdiction over the export, re-export, or in-country transfer of items. Each Party agrees to comply with their respective

responsibilities under applicable export and sanctions laws and regulations when, directly or indirectly, exporting, re-exporting, or transferring items pursuant to this Agreement.

(ii) For any items provided by Customer Group to Provider (***"Customer Export Materials"***), Customer shall be responsible for obtaining all reviews, licenses or other authorizations necessary for the export, re-export, transfer, provision or release of such Customer Export Materials from Customer Group to Provider or Provider Agents, where Provider has directed, the Agreement provides, or the Parties have otherwise agreed that Customer Group will export such Customer Export Materials directly to a member of Provider's enterprise or a Provider Agent. Provider shall be responsible for obtaining all reviews, licenses or other authorizations necessary for the export, re-export, transfer, provision or release of such Customer Export Materials (i) within Provider's enterprise; (ii) from Provider to Provider Agents; or (iii) from Provider Agents to Provider.

(iii) Customer will provide to Provider not less than 30 days prior written notice in the event that any Customer Export Materials that must be used or accessed by Provider in providing the Services is controlled for export and will, if requested by Provider, provide ECCN classification of any such item or the similar classification as appropriate under other applicable law (unless Provider otherwise has such ECCNs).

(iv) Provider shall be responsible for determining applicable export requirements and obtaining all reviews, licenses, or other authorizations necessary for the export, re-export, transfer, provision or release of any items provided by Provider or Provider Agents to Customer Group.

(v) Each Party will reasonably cooperate with the other and will provide to the other promptly upon request any end-user certificates, affidavits regarding re-export or other certificates or documents as are reasonably requested to obtain authorizations, consents, licenses and/or permits required for any payment or any export or import of items or services under this Agreement.

(b) Prohibited Countries and Parties

Provider agrees that neither Provider nor any Provider Agent will, in connection with Services provided to Customer Group, engage in any business, directly or indirectly, in or with any country subject to a comprehensive sanctions program or embargo (e.g. Cuba, Iran, North Korea, Sudan, Syria), or with persons or entities that are listed on the Consolidated Screening List or otherwise prohibited.

(c) Approvals

Provider will timely obtain and maintain all necessary approvals, licenses and permits (required by Law or otherwise) applicable to its business and the provision of the Services, including any relating to trans-border data flows and the Customer Data, applicable to Provider, Customer Group or use of any products or services under the Third Party Agreements.

9.7. Malware

Provider will take commercially reasonable diligent measures (consistent with the following sentence) to prevent the coding, introduction or proliferation of Malware into (i) any Provider Information System, or (ii) any Customer Systems supported by Provider as part of the Services. Provider will continue to review, analyze and implement improvements to and upgrades of its Malware prevention, correction and monitoring programs and processes that are commercially reasonable and consistent with the then current information technology industry's standards and, in any case, not less robust than the programs and processes implemented by Provider with respect to its own information systems. Without limiting Provider's other obligations under the Agreement, if Malware is found to have been introduced into the systems referenced in (i) and (ii) above, Provider shall promptly notify Customer and take commercially reasonable diligent efforts to eliminate the effects of the Malware; provided, however, Provider shall take immediate action if required due to the nature or severity of the Malware's proliferation. [* * *]. All remediation efforts with respect to Malware must be in accordance with all applicable requirements of the "Information Security Requirements" Exhibit and as may otherwise be expressly provided in a Service Agreement. At Customer's request, Provider will report to Customer the nature and status of all Malware elimination and remediation efforts.

9.8. Data

Provider will cause all data and information supplied by it to be timely and accurate.

9.9. Services Not to be Withheld

Provider will not refuse to provide all or any portion of the Services in violation or breach of the terms of the Agreement or any Service Agreement.

10. REPRESENTATIONS AND WARRANTIES

10.1. Representations and Warranties of Customer

Customer represents and warrants to Provider as follows as of the Effective Date and as of the Execution Date of each Service Agreement:

(a) Organization; Power

Customer: (i) is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware; and (ii) has full corporate power to own, lease, license and operate its properties and assets and to conduct its business as currently conducted and to enter into the Agreement.

(b) Authorized Agreement

The Agreement has been, and each Service Agreement will be, duly authorized, executed and delivered by Customer and constitutes or will constitute, as applicable, a valid and binding agreement of Customer, enforceable against Customer in accordance with its terms.

(c) No Default

Neither the execution and delivery of the Agreement or any Service Agreement by Customer, nor the consummation of the transactions contemplated hereby or thereby, shall result in the breach of any term or provision of, or constitute a default under, any charter provision or bylaw, agreement (subject to any applicable consent), order, law, rule or regulation to which Customer is a party or which is otherwise applicable to Customer.

10.2. Representations and Warranties of Provider

Provider represents and warrants to Customer as follows as of the Effective Date and as of the Execution Date of each Service Agreement:

(a) Organization; Power

Provider: (i) is a corporation, duly organized, validly existing and in good standing under the Laws of Delaware; and (ii) has full corporate power to own, lease, license and operate its properties and assets and to conduct its business as currently conducted and to enter into the Agreement.

(b) Authorized Agreement

The Agreement has been and each Service Agreement will be duly authorized, executed and delivered by Provider and constitutes or will constitute, as applicable, a valid and binding agreement of Provider, enforceable against Provider in accordance with its terms.

(c) No Default

Neither the execution and delivery of the Agreement or any Service Agreement by Provider, nor the consummation of the transactions contemplated hereby or thereby, shall result in the breach of any term or provision of, or constitute a default under, any organizational documents of Provider, or any agreement (subject to any applicable consent), order, Law, rule or regulation to which Provider is a party or that is otherwise applicable to Provider.

(d) Consents

Except as otherwise provided in the Agreement, no authorizations or other consents, approvals or notices of or to any Person are required in connection with: (i) the execution,

delivery and performance by Provider of the Agreement; (ii) the development, implementation or operation of the Provider Software, Provider Equipment and systems provided by Provider and necessary for Provider to perform the Services in accordance with this Agreement, or (iii) the validity and enforceability of the Agreement.

(e) No Infringement

(i) Provider is the owner of the Provider Owned Software and has the authority to grant the licenses in the Provider Licensed Software to be granted hereunder;

(ii) the Provider Software and the Provider Equipment do not knowingly infringe or misappropriate the Intellectual Property Rights of any third party; and

(iii) as of the Effective Date, there is no claim or proceeding pending or threatened alleging that any of the Provider Software or the Provider Equipment infringes or misappropriates the Intellectual Property Rights of any third party.

(f) Date Warranty

The Services will not be adversely affected in any way by any date data, date setting, date value, date input or other date related data and any combination thereof (including leap year), excluding Services failures caused by date-related defects in the Customer Owned Software.

(g) Performance Warranty

The Services will conform in all material respects to the description of the Services set forth in each Service Agreement.

(h) Capability to Provide Services

Provider has the requisite and necessary skills and experience to perform and provide the Services, and owns and possesses sufficient rights to grant all of the rights and licenses granted or to be granted, in accordance with the Agreement.

(i) Currency Compliance

The Provider Software and any other software provided or made available by Provider to Customer Group hereunder or used by Provider in performance of the Services will be Currency Compliant.

(j) Data Processing and Transfers

With respect to each transfer of Personally Identifiable Information, Provider: (i) has full legal authority to Process such Personally Identifiable Information in each

jurisdiction where Personally Identifiable Information will be Processed; (ii) will use such Personally Identifiable Information for purposes consistent with those for which it was collected or subsequently authorized by the data subject; and (iii) has complied, and will comply, with all applicable Laws with respect to the Processing or any transfer of Personally Identifiable Information to a Third Party.

(k) Compliance with Immigration Laws

Provider will at all times comply with all applicable Laws relating to the screening, hiring and employment of all labor forces used in connection with the Services, including those relating to citizenship or legal work status, including the U.S. Immigration Reform and Control Act of 1986, as amended, and its successors, if any, and any implementing regulations therefor. Provider will not assign Services to be performed to any Provider Personnel who are unauthorized aliens, and if any Provider Personnel performing any of the Services is discovered to be an unauthorized alien, Provider will immediately remove such Provider Personnel from performing Services hereunder and replace such Provider Personnel with Provider Personnel who is not an unauthorized alien.

(l) Employment Eligibility and Insurance

Provider will maintain at Provider's expense all of the necessary certification and documentation such as Employment Eligibility Verification Form I-9s as well as all necessary insurance for its employees, including workers' compensation and unemployment insurance. Provider will be solely responsible for the withholding and payment, if any, of employment taxes, benefits and workers' compensation insurance.

(m) Conduct of the Services

The Services shall not knowingly contain or use injurious, deleterious or defamatory material, writing or images. Provider shall not take any action or conduct its operations in such manner as to bring public ridicule, contempt, censure or disparagement upon Customer Group, or any names, trademarks, service marks or logos of Customer Group.

(n) Open Source

Without Customer's prior written consent, Provider will not incorporate any Open Source Software (whether in source code or object code format) into the Deliverables or the Customer Software (collectively, ***"Affected Products"***). In addition, Provider will not use any Open Source Software in providing the Services in a manner, subject to or distributed under any license, other agreement or understanding, that: (i) would require the distribution of source code with the Affected Products or require source code to be made available when such is distributed to any Third Party; (ii) would impact, restrict or impair in any way Customer Group's ability to license the Affected Products pursuant to terms of Customer Group's choosing; or (iii) would impact or limit Customer Group's ability to enforce Customer Group's Intellectual Property Rights in the Affected Products against any Third Party in any manner.

(o) Disabling Code

Provider will not knowingly insert any Disabling Code that could be invoked to disable or otherwise shut down all or any portion of the Services in any Software or Materials without the prior approval of Customer. In addition, with respect to any Disabling Code that may be part of the Software, Provider shall not knowingly invoke or cause to be invoked such Disabling Code at any time, including upon expiration or termination of this Agreement or any Service Agreement, in whole or in part, for any reason, without Customer's prior approval. Provider shall not knowingly use Third Party Software containing Disabling Code without the prior approval of Customer. For purposes of this provision, code that serves the function of ensuring software license compliance (including passwords) shall not be deemed Disabling Code, provided that Provider notifies Customer in advance of all such code and obtains Customer's approval prior to installing such code in any Software, Equipment or System.

(p) No Litigation.

There is no action, suit, proceeding or investigation pending or, to Provider's knowledge, threatened, that questions the validity of the Agreement or Provider's right to enter into the Agreement or any Service Agreement or to consummate any of the transactions contemplated by them.

(q) Foreign Corrupt Practices Act

(i) For purposes of this Section 10.2(q), ***"Provider Group"*** means HP Enterprise Services, LLC and its Affiliates, and all of their respective officers, directors, employees and agents. Provider represents, warrants and covenants that the Provider Group has not and shall not violate, or cause Customer Group to violate the United States Foreign Corrupt Practices Act or any other applicable anticorruption laws or regulations (***"FCPA"***) in connection with the Services provided under the Agreement and that the Provider Group has not, and agrees that the Provider Group shall not, in connection with the transactions contemplated by the Agreement, or in connection with any other business transactions involving Customer Group, pay, offer, promise, or authorize the payment or transfer of anything of value, directly or indirectly to:

(1) any government official or employee (including employees of government owned or controlled companies or public international organizations) or to any political party, party official, or candidate for public office; or

(2) any other person or entity if such payments or transfers would violate the laws of the country in which such payments or transfers are made, or the laws of the United States.

(ii) It is the intent of the Parties that no payments or transfers of value by Customer Group or any member of the Provider Group in connection with the Agreement shall be made which have the purpose or effect of public or commercial bribery, or acceptance of or acquiescence in, extortion, kickbacks, or other unlawful or improper means of obtaining business.

(iii) Provider represents, warrants and covenants that it is familiar with the provisions of the FCPA and agrees that:

(1) no member of the Provider Group involved in the provision of Services hereunder is a government official or employee (including an employee of a government-owned or government-controlled company or of a public international organization), is a political party official or employee of a political party, or is a candidate for public office, in each case in a non-U.S. location; and

(2) the Provider Group has not previously engaged in conduct that would have violated the FCPA had Provider Group been subject to its terms.

(iv) Provider represents, warrants and covenants that it has disclosed in writing the non-U.S. locations, if any, of all Provider Personnel anticipated to perform Services under the Agreement. Provider agrees to provide prompt advance Notice to Customer in the event that Provider desires to use any additional non-U.S. locations in the provision of Services to Customer Group under and in all cases subject to Customer's advance written consent and otherwise consistent with the terms and conditions of the Agreement.

(v) Provider acknowledges and agrees that Customer may, in accordance with Section 13.6, impose additional obligations upon Provider Group at Customer's discretion consistent with best practices to ensure compliance with the FCPA. Disclosures and Notice required under this provision shall be sent to the Customer addressee(s) set forth in Section 23.7 of the Master Agreement.

(r) Financial Statements

In the event that Provider is no longer required to file (or does not file) periodic reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, Provider shall provide Customer, in reasonable detail and together with such supporting information as Customer may reasonably request: (i) within 45 days after the end of each fiscal quarter of Provider, unaudited consolidated interim financial statements representing the financial position and results of operations of Provider and Provider Parent as of the date thereof and for the period then ended; and within 90 days after the end of each of Provider's fiscal year, audited consolidated annual financial statements representing the financial position and results of operations of Provider and Provider Parent as of the date thereof and for the period then ended, in each case together with a certification by the Chief Financial Officer of

Provider that such financial statements are true and correct and comply in all material respects with GAAP.

(s) Provider Parent

Provider is a wholly-owned subsidiary of Provider Parent.

(t) Intellectual Property Rights

Provider does not have any commitments to Third Parties under which Provider is obligated to assign or license to a Third Party any Intellectual Property Rights in conflict with Provider's obligations to Customer Group pursuant to this Agreement.

(u) Deliverables Warranty

Unless otherwise agreed to in writing by the Parties in the applicable Work Order or other relevant document, Provider warrants that each Deliverable will not materially deviate from the applicable specifications for such Deliverable and will remain free of any material defects for: (i) 90 days after such Deliverable is accepted by Customer and (ii) additionally for Deliverables with cyclical events, an additional five days after the first occurrence of the cyclical event applicable to such Deliverables for errors that manifest in connection with such cyclical events (for example, month-end, quarter-end and year-end processing, but in no event greater than an annual cyclical event) occurring during the Term and after the Deliverable was Accepted (the ***"Warranty Period"***) (regardless of whether such Deliverable was put into production). If any Deliverable does not conform to this warranty during the applicable Warranty Period, Provider will promptly remedy such defects at no cost to Customer.

10.3. Pass-Through Warranties

In the event Provider purchases or procures any Third Party products or services for Customer Group in connection with the provision of the Services, in addition to the foregoing representations, warranties and covenants, Provider shall pass through or assign to Customer the rights Provider obtains from the manufacturers and vendors of such products and services (including warranty and indemnification rights), all to the extent that such rights are assignable.

10.4. Disclaimer

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT OR IN ANY SERVICE AGREEMENT, THE PARTIES MAKE NO REPRESENTATIONS, WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED, REGARDING ANY MATTER, INCLUDING THE MERCHANTABILITY, SUITABILITY, FITNESS FOR A PARTICULAR USE OR PURPOSE, OR RESULTS TO BE DERIVED FROM THE USE OF ANY SERVICE, SOFTWARE, HARDWARE, DELIVERABLES, WORK PRODUCT OR OTHER MATERIALS PROVIDED UNDER THIS AGREEMENT.

11. TRANSITION AND TRANSFORMATION

11.1. Transition Generally

(a) Transition Plan

Provider shall, if provided for in a Service Agreement, provide the Transition Services described in the "Transition" Schedule to such Service Agreement. The "Transition" Schedule shall include an initial transition plan that sets forth: (i) the Transition Services necessary to completely migrate the Services to, or implement the Services by, Provider; (ii) an allocation of responsibilities between the Parties for the performance of such Transition Services; (iii) the transition of the administration, management, operation under and financial responsibility for applicable Third Party Agreements from Customer Group to Provider; (iv) the transition to Provider of the performance of and responsibility for the other functions, responsibilities and tasks currently performed by Customer Group (or by a Third Party on behalf of Customer Group) which comprise the Services; (v) Service Levels applicable to the Transition Services; (vi) the Services, projects, tasks, responsibilities and timelines for activities to be performed in connection with the evolution, integration and transformation of the functions comprising the Services in accordance with the agreed upon plan; and (vii) such other information and planning as are necessary to ensure that the Transition takes place on schedule and without disruption to Customer Group's operations (each, a ***"Transition Plan"***). The final Transition Plan shall be mutually-agreed upon by the Parties not later than the date specified in the Service Agreement.

(b) Critical Transition Milestones

Each Transition Plan shall include those milestones that are critical to the success of the Transition (the ***"Critical Transition Milestones"***). For each Critical Transition Milestone, the Transition Plan shall set forth: (i) the transition activities that must be completed by Provider or Customer, as applicable, in order for the Critical Transition Milestone to be deemed to have been achieved (the ***"Critical Transition Activities"***); (ii) the applicable Acceptance Criteria; and (iii) the date by which the Critical Transition Milestone must be achieved. A Critical Transition Milestone will not be accepted until such time as each Critical Transition Activity included within the Critical Transition Milestone has satisfied all applicable Acceptance Criteria.

(c) Conduct of the Transition

Provider and Customer shall plan, prepare for and conduct the Transition in accordance with the written Transition Plan, which shall constitute part of the Agreement and with minimal disruption to Customer Group's business operations. The Customer Technical Alliance Manager and the Provider Client Executive shall meet as required (but in any case, no less than once per week) to ensure the appropriate execution and completion of the Transition Plans.

(d) Transition Charges

Provider will be responsible for all costs associated with the Transition activities executed by Provider, including travel and living expenses. Customer will be responsible for all costs associated with the Transition activities executed by Customer, including travel and living expenses. Charges for the Transition, if any, will be itemized and included in the applicable "Charges" Schedule.

(e) Affected Employees

Customer may agree in any Service Agreement to provide Provider with the opportunity to offer employment to certain of the employees of Customer Group in connection with the execution of such Service Agreement. The "Affected Employees" Schedule to such Service Agreement shall set forth the Parties' agreement with respect to such employees.

11.2. Transformation

(a) Transformation Plan

Provider shall, if provided for in a Service Agreement, enhance the performance and delivery of Services through the transformational activities described in the "Transformation" Schedule to such Service Agreement. The "Transformation" Schedule shall include an initial transformation plan that describes the Services, projects, tasks, responsibilities and timelines for activities to be performed in connection with the evolution and transformation of the functions comprising the Services and such other information and planning as are necessary to ensure that the Transformation takes place on schedule and without disruption to Customer Group's operations (the ***"Initial Transformation Plan"***). The final Transformation Plan shall be mutually-agreed upon by the Parties not later than the date specified in the "Transformation" Schedule. Provider shall perform transformation activities as part of the Services and in accordance with the timeframes provided in the Transformation Plan. Detailed plans describing how such activities will be performed and implemented shall be drafted and proposed by Provider within the time frames specified in the Transformation Plan and are subject to approval by Customer.

(b) Critical Transformation Milestones

Each Transformation Plan shall include those milestones that are critical to the success of the Transformation (the ***"Critical Transformation Milestones"***). For each Critical Transformation Milestone, the Transformation Plan shall set forth: (i) the transformation activities that must be completed by Provider or Customer in order for the Critical Transformation Milestone to be deemed to have been achieved (the ***"Critical Transformation Activities"***); (ii) the applicable Acceptance Criteria; and (iii) the date by which the Critical Transformation Milestone must be achieved. A Critical Transformation Milestone will not be accepted until such time as each Critical Transformation Activity included within the Critical Transformation Milestone has satisfied all applicable Acceptance Criteria.

(c) Conduct of the Transformation

Provider shall plan, prepare for and conduct the Transformation in accordance with the written Transformation Plan, which shall constitute part of the Agreement and with minimal disruption to Customer Group's business operations. The Customer Technical Alliance Manager and the Provider Client Executive shall meet as required (but in any case, no less than once per week) to ensure the appropriate execution and completion of the Transformation Plans.

(d) Transformation Charges

Provider will be responsible for all costs associated with the Transformation, including travel and living expenses. Charges for the Transformation, if any, will be itemized and included in the applicable "Charges" Schedule.

12. GOVERNANCE

12.1. Account Governance

Customer's account will be governed in accordance with the "Account Governance" Exhibit. The Services shall include all Provider obligations set forth in the "Account Governance" Exhibit, and all other project management, governance and related management activities described herein and in the Service Agreements or Schedules thereto, and shall be performed by Provider at no additional cost to Customer.

12.2. Provider Client Executive

(a) Appointment

Provider will designate a senior-level individual who will be primarily dedicated to Customer's account and shall have a primary office in Southlake, Texas (the ***"Provider Client Executive"***). The Provider Client Executive (i) must be approved by Customer, (ii) will be the primary contact for Customer in dealing with Provider under this Agreement, (iii) will have overall responsibility for managing and coordinating the delivery of the Services, (iv) will meet regularly with the Customer Technical Alliance Manager, (v) will have the power and authority to make decisions with respect to actions to be taken by Provider in the ordinary course of day-to-day management of Customer's account in accordance with the Agreement, and (vi) will serve as an escalated point of contact for Service delivery issues in accordance with the Dispute Resolution Procedures.

(b) Replacement

Provider shall maintain the initial Provider Client Executive on Customer's account for a period of at least [* * *] following his or her appointment to the Customer account (which may precede the Effective Date), and each of the subsequent Provider Client Executives for a period of at least [* * *] from his or her appointment to the Customer account, unless such Provider Client Executive: (x) voluntarily resigns from Provider, (y) is

unable to work due to his or her death, injury or disability, or (z) is removed from the Customer assignment at the request of Customer (***"Permitted Client Executive Reassignment Exceptions"***). Provider shall give Customer at least [* * *] advance Notice of a change of the Provider Client Executive. If Provider is unable to provide [* * *] advance Notice as a result of a Permitted Client Executive Reassignment Exception, the longest Notice otherwise possible. Provider shall address, to Customer's satisfaction, any concerns that Customer may have with the proposed change or promptly propose a different individual for such position.

12.3. Customer Technical Alliance Manager

During the Term, Customer will designate a senior level individual (i) who will serve as Customer's primary contact for Provider in dealing with Customer under this Agreement, (ii) who will have the power and authority to make decisions with respect to actions to be taken by Customer in the ordinary course of day-to-day management of this Agreement, and (iii) who will serve as an escalated point of contact for any Service delivery issues in accordance with the Dispute Resolution Procedures (the ***"Customer Technical Alliance Manager"***). The Customer Technical Alliance Manager may designate in writing a reasonable number of additional Customer employees to be points of contact for Customer with respect to particular subject matters relating to this Agreement. Customer may from time to time replace the individual serving as the Customer Technical Alliance Manager by providing notice to Provider.

12.4. Provider Client Executive and Customer Technical Alliance Manager Meetings

During the Term, the Customer Technical Alliance Manager and Provider Client Executive shall meet periodically, as specified in the "Account Governance" Exhibit, at such times and locations as reasonably requested by either Party, to review their respective performance under the Agreement. For each such meeting, the Customer Technical Alliance Manager and Provider Client Executive shall agree to and publish an agenda sufficiently in advance of the meeting to allow meeting participants a reasonable opportunity to prepare for the meeting.

12.5. Governance and Committees

The Parties shall form and participate in the committees required by the "Account Governance" Exhibit.

12.6. Technology Governance; New Technology

(a) Technology Governance

At least once every six months during the Term (or as otherwise set forth in a Service Agreement), Provider will meet with Customer to: (i) discuss any new information processing technology Provider is developing or information processing trends and directions of which either Party is otherwise aware that could reasonably be expected to have an impact on Customer Group's business; and (ii) identify, jointly with Customer, cost-efficient methods to implement technological changes and methodologies that could be

beneficial to Customer Group in connection with the Services, all in accordance with the "Account Governance" Exhibit. If Customer requests Changes to the technology or methodologies Provider uses to provide the Services as a result of such discussions, the Parties will discuss implementation of any such new technology and methodologies in accordance with the applicable Procedures Manual and Change Control Procedures and make appropriate adjustments to Charges, if any.

(b) Technology Changes

In all instances, Provider must provide Customer sufficient Notice of Provider's intent to implement new technology or methodologies that could impact the Services, and sufficient information in order that Customer may analyze the effect of the new technology or methodologies on Customer Systems. Any agreed-upon Changes will be implemented in accordance with the Change Control Procedures and Customer will be given sufficient opportunities to acceptance test any such implementation.

(c) Technology Recommendations

Provider shall, with respect to any new technology or methodologies proposed by Provider after the Commencement Date that comprise or could impact the Services, or that would constitute New Services, analyze and consider all applicable industry standard technology or methodologies (including technology or methodologies manufactured or owned by Provider competitors) prior to making a recommendation to Customer. Provider's review and analysis of, and recommendation for, any such new technology or methodologies shall be conducted in accordance with the "Account Governance" Exhibit and shall, at a minimum, take into account Customer Group's best interests, including Customer's ability to in-source the Services or outsource the Services to a Successor Provider upon any termination or expiration of the Agreement, a Service Agreement or any of the Services.

13. RELATIONSHIP PROTOCOLS

13.1. Alternate Providers; Provider Cooperation

(a) Non-Exclusive Relationship

The relationship between the Parties is non-exclusive. Customer Group shall have the right during the Term to retain Third Parties to perform any service, function, responsibility, activity or task that is within the scope of the Services, or to perform any service, function, responsibility, activity, or task internally (i.e., insourcing), only by exercising its termination rights under the Agreement; provided, however, the foregoing shall not (i) prevent Customer Group from exercising its rights to engage a Third Party or perform a Service itself as expressly provided for in the Agreement; (ii) prevent Customer Group from reducing Service volumes in the normal course of business, subject to the pricing mechanism for such adjustments set forth in the applicable "Charges" Schedule; or (iii) otherwise preclude Customer Group from retiring or ceasing Services, reducing Service volumes or insourcing or re-sourcing Services in connection with an agreed upon

Transformation Plan or Transition Plan under a Service Agreement [* * *], or as otherwise expressly contemplated in the Agreement, and Customer shall not be required to exercise its termination rights in connection with (i), (ii) or (iii) above. In the case of Customer's termination of Services under this Section 13.1(a), the Charges for the remaining Services will be as set forth in the applicable Service Agreement or if not addressed in such Service Agreement, the Charges will be equitably adjusted to reflect those Services that are no longer required. [* * *]

(b) Cooperation; Obligations of Alternate Providers

Provider shall cooperate with any Third Parties and Customer as requested by Customer from time to time. Such cooperation shall include: (i) Provider's performance of Termination Assistance Services in accordance with Section 18.5 of the Master Agreement and the "Termination Assistance Services" Schedule to the applicable Service Agreement; (ii) providing reasonable physical and logical access to any facilities used by Provider to provide the Services and to the data, books and records in the possession of Provider regarding the Customer Business or the Services; (iii) providing such information to Customer and the Third Party regarding the operating environment, system constraints and other operating parameters used to provide the Services; and (iv) such other reasonable cooperation as may be requested by Customer. Provider's obligations hereunder shall be subject to the Third Party's compliance with reasonable facilities, data and Physical Security and other applicable standards and procedures, execution of appropriate and reasonable confidentiality agreements, and reasonable scheduling of computer time and access to other resources to be furnished by Provider pursuant to the Agreement.

13.2. Personnel Resources

(a) Key Personnel

(i) The Parties will designate those Provider employees serving as Key Personnel in the "Key Personnel; Restricted Personnel" Schedule to each Service Agreement. Unless otherwise set forth in the applicable "Key Personnel; Restricted Personnel" Schedule, all Key Personnel will be dedicated full-time to the provision of the Services. Before assigning any individual to a Key Personnel position, Provider will: (A) give Customer prior Notice of the assignment, introduce the individual to the Customer Technical Alliance Manager or his or her designee(s) and provide information reasonably requested by Customer about the individual; and (B) obtain Customer's consent. Except as provided in Section 13.2(a)(ii) below, such consent may not be unreasonably withheld. Provider may not substantially change the role of a Key Personnel as it pertains to the Services without Customer's prior written consent.

(ii) Unless earlier removed in accordance with the Agreement, a Key Personnel will retain his or her status as a Key Personnel for the [* * *] period commencing on the date such individual commences work on the Customer

account as a Key Personnel, unless a longer or shorter period is provided for in the "Key Personnel; Restricted Personnel" Schedule. Without Customer's prior consent, which it may withhold in its sole discretion, Provider will not replace or reassign (1) the Provider Client Executive, for the applicable time period set forth in Section 12.2(b), or (2) any other Key Personnel for a [* * *] period commencing on the date such individual commences work on the Customer account as a Key Personnel (or such time period as is provided for in the "Key Personnel; Restricted Personnel" Schedule). This paragraph (ii) does not apply to replacement of an individual who (a) voluntarily resigns from Provider, (b) is dismissed by Provider for cause (e.g., fraud, drug abuse, theft or failure to perform duties and responsibilities) or (c) dies or is unable to work because of a disability. In addition to the foregoing and except as otherwise set forth in the "Key Personnel; Restricted Personnel" Schedule, Provider shall maintain [* * *] resourcing / succession plans with respect to Key Personnel to ensure required skill levels continue to be available to Customer Group, as further described in the applicable "Key Personnel; Restricted Personnel" Schedule.

(iii) [* * *]

(iv) Key Personnel may not be transferred or re-assigned until a suitable replacement has been proposed by Provider and approved by Customer, provided, however, if any Key Personnel leaves his or her employment with Provider or continued performance of any such Key Personnel in such role is impossible due to illness, disability, death or termination of employment, Provider may temporarily replace such person with a qualified person without Customer's consent. Any replacement of Key Personnel must be conducted in accordance with a mutually agreed upon transition plan for such position that includes at least the following: (a) technical requirements (if not already defined); (b) a timetable for integration of the replacement Key Personnel; and (c) replacement methodology designed to minimize the loss of knowledge as a result of losing the Key Personnel.

(v) Provider will assume any and all costs and expenses associated with the: (a) departure or re-assignment of Key Personnel; and (b) development and implementation of the transition plan, including costs and expenses associated with knowledge transfer, integration and training of replacement personnel.

(b) Turnover Rate; Retention of Experienced Resources

(i) Provider will provide a semi-annual turnover report of the Provider Personnel, and the Parties will work together to reduce the turnover rate. Provider will ensure that all replacement personnel receive sufficient information and training, without additional charge to Customer, to assure continuity of Services without adverse impact on Customer Group or the

Services. Provider will take steps to keep the turnover rate at a level reasonably acceptable to Customer.

(ii) If Provider fails to meet the Service Levels persistently or continuously and if Customer reasonably believes such failure is attributable in whole or in part to Provider's reassignment, movement, or other changes in the Provider Personnel, Customer will notify Provider of such belief and the basis for such belief. Upon receipt of such Notice from Customer, Provider (a) will promptly provide to Customer a report setting forth Provider's position regarding the matters raised by Customer in its Notice; (b) will meet with Customer to discuss the matters raised by Customer in its Notice and Provider's positions with regard to such matters; and (c) will promptly and diligently take commercially reasonable action to address any Provider human resource practices or processes identified by Customer as adversely impacting the performance and delivery of the Services by Provider.

(c) Customer Requested Replacement of Provider Personnel

Customer shall have the right at any time, in its sole discretion and at no cost to Customer (including costs associated with the: (i) departure or re-assignment of Provider Personnel; and (ii) knowledge transfer, integration and training of replacement personnel) to give Provider Notice requiring that any Provider Personnel or proposed Provider Personnel (as applicable) not be appointed, or be removed from, the Provider Personnel group servicing Customer Group, and be replaced with another Provider Personnel. Promptly after its receipt of such a Notice, Provider shall remove the Provider Personnel identified in Customer's Notice.

(d) Background Investigations

Provider shall have performed a background investigation of all of Provider Personnel who will perform any of the Services, or any part thereof or related thereto, or will have physical or logical access to any of Customer Group's Company Information, in accordance with the requirements set forth in the "Background Investigations" Exhibit. Provider shall not knowingly assign any personnel to Customer's account or otherwise permit any of its personnel to have physical or logical access to Customer Group's Company Information who have been found to have engaged in criminal acts that involve fraud, dishonesty, or breach of trust, or violated any provision of the Federal Crime Bill, or that constitute a felony under applicable Law (collectively, ***"Felony"***). Provider will have the ongoing duty, upon learning that one of Provider's employees or Provider Agents has been convicted of a Felony to remove such individual immediately from the Customer account and notify Customer that such individual was removed as a result of a Felony conviction.

(e) Independent Contractor

Except to the extent of the limited agency appointment in Section 13.5(c), neither Provider nor Provider Personnel are or shall be deemed to be employees or agents of

Customer Group. Provider shall be solely responsible for the payment of compensation (including provision for employment taxes, federal, state and local income taxes, workers compensation and any similar taxes) associated with the employment of Provider Personnel. Provider acknowledges and agrees that only eligible employees of Customer Group are entitled to benefits under Customer Group's: (i) pension and welfare plans (as the Employment Retirement Income Security Act defines those terms); and (ii) any other benefit arrangements, and that Provider's status as an independent contractor makes Provider Personnel ineligible to participate in these plans and arrangements. Provider shall also be solely responsible for obtaining and maintaining all requisite work permits, visas, and any other documentation. Provider Personnel that will be performing work at any time at Customer Facilities shall receive from Provider a form W-2 or the equivalent proof of an employer-employee relationship for employees domiciled outside the United States, and, unless Provider requests, and Customer approves in advance in writing, all such Provider Personnel will not be a consultant, independent contractor or subcontractor of Provider.

13.3. Use of Provider Agents

(a) No Subcontracting Without Consent

Provider shall not subcontract: (i) to one or more Third Parties (through one or more agreements) with respect to performance of Services in any one Service Tower for fees in any [* * *]. Before subcontracting any portion of the Services that requires Customer consent, Provider must notify Customer of the proposed subcontractor, the scope of the services proposed to be subcontracted, and, only with respect to dedicated subcontracts, the terms of the proposed subcontract (including whether Provider has sufficient rights under such subcontract to permit Customer to audit such Provider Agent in accordance with Section 14.2(b)), and obtain Customer's approval of such subcontractor and terms. Before amending or supplementing any dedicated subcontract, Provider will notify Customer of the terms of the proposed amendment, modification or supplement and will obtain Customer's approval thereof. Any Provider Agent approved by Customer as of the Service Agreement Execution Date shall be set forth on the "Approved Provider Agents" Schedule to the applicable Service Agreement

(b) Provider Retains Responsibility

(i) Provider is responsible for the work and activities of each of the Provider Agents and Provider Personnel employed by Provider Agents, and Provider will continually monitor and manage such Provider Agents. Provider will remain Customer's sole point of contact regarding the Services. For purposes of determining Provider's liability and its obligations with respect to the performance of the Services, any time the term ***"Provider"*** is used in this Agreement it includes all Provider Agents performing any part of this Agreement on behalf of Provider.

(ii) Provider is responsible for all payments to Provider Agents. Provider will promptly pay for all services, materials, equipment and labor used by

Provider in providing the Services and Provider will promptly cause any Provider Agent to remove any lien on Customer Group's premises in favor of such Provider Agent.

(iii) If Customer is dissatisfied with the performance of any Provider Agent, Customer will promptly provide Provider Notice and Provider and Customer will discuss and implement, as soon as possible thereafter, a means for Provider to resolve the issue to Customer's satisfaction. If Provider does not resolve the issue within a reasonable amount of time (as determined by Customer), Provider will promptly replace such Provider Agent with a Person that meets Customer's standards, or perform the activities itself.

(c) Provider Agent Agreements

Provider shall enter into written agreements with any Provider Agents performing Services that: (i) require such Provider Agents to comply with the Customer Policies, the Security Requirements and other data privacy and security-related obligations under the Agreement in performing the Services, (ii) require the Provider Agents to comply with confidentiality provisions no less protective of Customer's Confidential Information than this Agreement, (iii) contains such provisions for the assignment of Intellectual Property Rights as are necessary for Customer to receive ownership of Work Product, and (iv) otherwise enables Provider to comply with the provisions of the Agreement.

(d) Cooperation with Customer

Provider will ensure that each Provider Agent engaged by Provider to perform a portion of the Services will make, execute and deliver to Customer such disclosures and agreements as Customer may from time to time reasonably request in order to comport with the requirements of applicable Laws and Third Party Agreements.

(e) Assignment

With respect to any subcontracts for Services dedicated solely to Customer, Provider shall (and with respect to all other subcontracts for Services, Provider shall use commercially reasonable efforts), in any new, amended or renewed agreement between Provider and a subcontractor to specifically provide that Customer may take an assignment of the agreement from Provider without payment of a fee or other penalty in the event that (i) this Agreement or the applicable Service Agreement is terminated in whole or in part or expires, or (ii) Provider is in material breach of this Agreement or the applicable Service Agreement.

13.4. Contract Management

Provider will be responsible for administering, managing and maintaining the Third Party Agreements, Managed Agreements, Assumed Agreements, Provider Third Party Agreements and Replacement Agreements, in each case as set forth on the applicable "Third Party Agreements" Schedule.

13.5. Required Consents

(a) Consents

Provider will, at its own expense, (i) obtain, maintain and comply with all of the Provider Consents; and (ii) comply with the Customer Consents. Customer will, with assistance as requested from Provider, obtain, maintain and comply with the Customer Consents. Each Party will cooperate with the other Party, as requested by the other Party, in the other Party's obtaining the Required Consents that such other Party is required to obtain pursuant to this Section.

(b) Workaround

If any Customer Consent is not obtained, then, unless and until such Customer Consent is obtained, the Parties will (in addition to the limited agency appointment in Section 13.5(c) below) cooperate with each other in achieving a reasonable alternative arrangement to continue Provider's provision of the applicable Services that does not have an adverse impact on Customer Group or result in any additional cost or expense to Customer Group.

(c) Limited Agency Appointment

Customer hereby designates Provider as its agent, and Provider accepts such appointment as a part of the Services, for the limited purposes of administering, managing, supporting, operating under and paying under all Third Party Agreements as to which Customer Consents are required and have not been obtained. Customer does not appoint Provider as its agent for any other purpose. Provider will perform its obligations and responsibilities as an agent pursuant to this paragraph (c) under all Third Party Agreements subject to the provisions of this Section 13.5 and the Agreement. Upon Customer's request, Provider will provide to Customer all information and documentation Customer may reasonably request related to Provider's activities as Customer's agent with regard to such Third Party Agreements. Customer may terminate or provide additional restrictions on Provider's agency appointment with respect to any Third Party Agreement at any time in Customer's discretion. To the extent that any such termination or restrictions interferes with Provider's ability to perform the Services or increases Provider's costs to provide the Services, such termination or restrictions will be implemented in accordance with the Change Control Procedures.

13.6. Change Control Procedures

(a) Operational Change Control

The procedures that will govern (i) the process by which a Party may propose or request operational Changes, (ii) the process to be followed by the Parties in analyzing the effects of, and deciding whether to implement, any such Change, and (iii) the manner in which any agreed upon Changes are to be implemented (the ***"Operational Change Control***

Procedures"), are set forth in the applicable Procedures Manual. Among other things, the Operational Change Control Procedures will provide that:

(i) no Change will be implemented without Customer's prior written approval, except as may be necessary on a temporary basis to maintain the continuity of the Services;

(ii) with respect to all Changes, other than those Changes made on a temporary basis to maintain the continuity of the Services, Provider will prepare and deliver to the Customer Technical Alliance Manager a written analysis describing any changes in products, services, assignment of personnel and other resources that Provider believes would be required, together with, as appropriate or applicable (A) an estimation of the increase or decrease, if any, in the Charges that would be required, (B) a description of how the Change would be implemented, (C) a description of the effect, if any, such Change would have on this Agreement, including on Service Levels and Winddown Expenses, (D) an estimation of all resources required to implement such Change, including a description of the delivery risks and associated risk mitigation plans, and (E) such other information as may be relevant to the Change;

(iii) with respect to all Changes, other than those Changes made on a temporary basis to maintain the continuity of the Services, Provider will (a) schedule Changes so as not to unreasonably interrupt Customer's business operations, (b) prepare and deliver to Customer each month a rolling schedule for ongoing and planned Changes for the next three month period, and (c) monitor and report to Customer the status of Changes that are in-progress against the applicable schedule; and

(iv) with respect to any Change made on a temporary basis to maintain the continuity of the Services, Provider will document and provide to Customer notification (which may be given orally, provided that any oral notice must be confirmed in writing to Customer within five Business Days) of the Change no later than the next Business Day after the Change is made.

(b) Contract Change Control

The procedures that will govern (i) the manner in which a Party may propose or request modifications to this Agreement, its Schedules or any other attachments, (ii) the process to be followed by the Parties in analyzing the effects of, and deciding whether to adopt, any such modifications, and (iii) the manner in which any agreed upon modifications are to be reflected in this Agreement (the ***"Contract Change Control Procedures"***), are set forth in the "Change Control Procedures" Exhibit. The Contract Change Control Procedures apply also to any modifications required to be made to this Agreement to reflect modifications agreed upon by the Parties pursuant to the Operational Change Control Procedures. All

modifications to this Agreement, its Schedules or any other attachments hereto require the prior written approval of the Customer Technical Alliance Manager or his or her designee.

(c) Asset Changes

The procedures that will govern the manner in which Asset Changes are conducted are set forth in the "Change Control Procedures" Exhibit.

(d) Changes to Procedures

The Parties will update and revise the Operational Change Control Procedures and the Contract Change Control Procedures (collectively, the ***"Change Control Procedures"***) as they deem necessary or advisable from time to time, in each case in accordance with the Contract Change Control Procedures then in effect.

14. INSPECTIONS AND AUDITS

14.1. Audit Rights

(a) Provider Records

Provider shall maintain, at all times during the Term and at no additional charge to Customer, complete and accurate records and supporting documentation pertaining to: (i) all Charges and financial matters under this Agreement, in all cases prepared in accordance with GAAP; (ii) all other transactions, reports, filings, returns, analyses, Work Product, data and information created, generated, collected, accessed, processed or stored by Provider and any Provider Agent in the performance of the Services; and (iii) all controls relevant to Provider's internal controls relating to the Services and those controls provided for in any Service Agreement to be executed by Provider and relating to Customer's control over the activities of Provider (collectively, ***"Provider Records"***), all in a manner sufficient to permit the Audits in accordance with this Section 14.

(b) Operational Audits

Provider shall provide to Customer and to internal and external auditors, inspectors, regulators and other representatives that Customer may designate from time to time (***"Customer Auditors"***) access in accordance with Section 14.2(b) below to perform operational audits and inspections of Provider, Provider Agents and their respective facilities (***"Operational Audits"***), to: (i) verify the integrity of the Customer Data; (ii) examine the systems that access, process, store, support and transmit that data and examine the results of external Third Party data processing audits or reviews relating to Provider's operations relevant to the Services; (iii) verify whether the Services comply with Customer Compliance Requirements and the requirements of the "Privacy Requirements" Exhibit; (iv) evaluate Provider's compliance with the requirements of the "Information Security Requirements" Exhibit (i.e., Provider's physical and logical security and Disaster Recovery Services), including examination of all self-conducted and Third Party intrusion vulnerability and

penetration assessments and reports; (v) confirm that the Services are being provided in accordance with the Agreement, including the Service Levels; (vi) verify the integrity of Provider's Performance Reports (including raw data from which such Performance Reports are compiled); (vii) facilitate Customer Group's compliance with Customer Compliance Requirements; and (viii) examine, test and assess Provider's systems, policies and procedures relating to intrusion detection and interception with respect to the Provider systems used to provide the Services, provided that any penetration testing on Shared Systems or any other system which would reasonably impact a Provider customer shall be subject to Provider's security policies and the prior written consent of the Third Party with whom such system is shared, which Provider shall use commercially reasonable efforts to obtain.

(c) Financial Audits

Provider shall provide to Customer and Customer Auditors access in accordance with Section 14.2(b) below to perform financial audits and inspections ***("Financial Audits"***) to: (i) verify the accuracy and completeness of Provider Records; and (ii) verify the accuracy and completeness of Provider's invoices and Charges. If an Audit reveals that errors have been made in connection with the Charges, then the Parties will work together to correct the error and any overpayments revealed by the Audit will be promptly paid by Provider or credited to Customer and any underpayments revealed, will be promptly paid by the Customer. [* * *]. If repeated Audits reveal that there are consistent errors in connection with Charges, this problem will be escalated in accordance with the Dispute Resolution Procedures.

(d) Regulatory Audits

(i) Upon written request made by a Governmental Authority to Provider or to Customer Group, or by Customer in response to a Governmental Authority request, Provider will (i) promptly make available to the Governmental Authority or Customer Auditors Provider Records and other information relating to Provider's and Provider Agents' compliance with Section 7 of this Master Agreement and, (ii) if so requested, provide the requesting Governmental Authority or Customer Auditors access in accordance with Section 14.2(b) to examine Provider's or Provider Agents' compliance with Section 7 of this Master Agreement and for purposes of facilitating Customer Group's compliance with applicable Customer Compliance Requirements (***"Regulatory Audits"***).

(ii) If the request is received by Provider directly from a Governmental Authority, Provider shall notify Customer in a timely manner. Provider shall respond to any Regulatory Audit regarding Customer Group according to Customer's direction, subject to Provider's obligations under Law. Provider may provide information to Governmental Authorities only under the direction of the Controller of Customer (or his or her designates and agents). Provider shall provide such information in a timely manner either to Customer or, at

Customer's request, directly to the applicable Governmental Authority. As part of a Regulatory Audit, Provider shall answer questions from Governmental Authorities with respect to their processing of certain transactions for Customer Group. Customer shall be entitled to send a representative to be present at all such discussions with such Governmental Authorities if and to the extent not prohibited by Law.

(e) Provider Audits and Reporting

(i) Provider shall provide to Customer at Customer's request, and for no additional compensation, all reports reasonably deemed necessary or desirable by Customer to support the review, audit and preparation of audit reports relating to the Services and Customer Group's financial statements and reports, which reports shall include those referenced in paragraph (ii) below (collectively, ***"Provider Audits"***).

(ii) At all times during the SOX Compliance Period, Provider will, and will cause each of the Provider Agents to:

(1) maintain in effect the controls, operations and systems that are sufficient for Customer Group to comply with its obligations under SOX and update the controls, documentation, and Procedures Manuals to meet SOX requirements for all activities it performs for Customer Group. Any changes in the Services, as defined at the Effective Date, that Customer determines are required to comply with SOX are subject to the Change Control Procedures. Unless otherwise directed by Customer, Provider shall not make any changes to Customer Group environment after [* * *] during any calendar year;

(2) provide to Customer or Customer Auditors, on a timely basis, (A) access to the books and records and personnel of Provider and Provider Agents as Customer may reasonably request, and (B) all information, reports and other materials requested by Customer to evaluate and confirm that Customer is in compliance with its obligations under SOX and to enable Customer Auditors to attest to and report on the assessment of Customer's management as to the effectiveness of its internal control structure and procedures under SOX, including (i) Control activities/objectives for the SSAE 16 SOC 1 Type II audit report by [* * *];

(3) generally cooperate with Customer and Customer Auditors in any other way that Customer or Customer Auditors may request to enable Customer Group to comply, and Customer and Customer Auditors to evaluate whether Customer Group complies, with SOX as it relates to the Services; and

(4) comply with future guidance relating to SSAE 16 (or ISAE 3402 if requested by Customer) as issued by the American Institute of CPAs (AICPA), International Auditing and Assurance Standards Board (IAASB), the Securities and Exchange Commission or the Public Company Accounting Oversight Board.

(iii) If Provider is unable to timely deliver to Customer an unqualified opinion or certification, Provider shall, [* * *]: (A) provide Customer, on the date such opinion or certificate is delivered, or is due to be delivered, with a written statement describing the circumstances giving rise to any delay in delivering such opinion or certificate or any qualification to such opinion or certificate; (B) immediately take such actions as shall be necessary to resolve such circumstances and deliver an unqualified opinion or certificate as promptly as practicable thereafter; and (C) permit Customer and its external auditors to perform such procedures and testing of Provider's controls and processes as are reasonably necessary for their assessment of the operating effectiveness of Provider's controls and of Customer's internal controls applicable to the Services and the related business functions of Customer Group.

(iv) Customer shall have the right to provide all such reports, opinions and certifications delivered hereunder to its investors, attorneys, accountants and other advisors, who shall be entitled to rely thereon and to otherwise disclose such matters as it determines to be necessary or desirable. In addition, Customer shall have the right to provide copies of its SSAE Type II audits, or similar certification, to current customers of Customer Group whose data is processed on Provider-managed operating systems, subject to such customer's prior agreement to hold such information in confidence.

14.2. Audit Procedures

(a) Audit Plan

During the initial Transition period, and thereafter on an annual basis, the Contract Managers will determine the timing and schedule for Audits for such year and agree upon audit guidelines and scope in accordance with this Section 14 (the ***"Annual Audit Plan"***). The Annual Audit Plan will include: (i) Operational and Financial Audits to be performed by or on behalf of Customer during such year; and (ii) the timing and scope of Provider Audits to be provided by Provider to Customer as part of the Services. All changes or additions to the Annual Audit Plan will be proposed on at least 30 days' Notice except where shorter notice periods are required by a Governmental Authority. Notwithstanding the previous statement, Provider acknowledges and agrees that a Governmental Authority may require an Audit without prior notice to Customer or Provider and further acknowledges and agrees that Customer may conduct an Operational Audit without Notice following a Security Breach. Customer Auditors shall have the reasonable access set forth in Section 14.2(b) and shall observe such procedures as Provider may reasonably require to protect the confidentiality and security of Provider Confidential Information, and that of its other

customers. Customer agrees that Customer Auditors shall perform planning, entry and exit interviews in accordance with the agreed audit guidelines.

(b) General Principles Regarding Audits

(i) Access. Provider shall provide Customer and Customer Auditors and applicable Governmental Authorities with reasonable access at reasonable times and after reasonable notice in accordance with the Annual Audit Plan (unless circumstances reasonably preclude such notice) to: (i) the parts of any Provider Facility where Provider is providing the Services; (ii) Assets used by Provider to provide the Services; (iii) Provider Personnel providing the Services; (iv) subject to Section 13.3(a), Provider Agents who perform any portion of the Services (including to such entity's personnel, facilities, records, systems, controls, processes and procedures) to the extent permitted under Provider's contracts with such Provider Agents; and (v) all Provider Records. Customer Audits will be conducted in a manner that does not unreasonably disrupt or delay Provider's performance of services for its other customers. Customer's access to the Provider Records shall include the right to inspect and photocopy same, and the right to retain copies of such Provider Records outside of the Provider Facilities or other Provider or Provider Agent premises, in accordance with Sections 16 and 17 if such retention is deemed necessary by Customer.

(ii) Cooperation. Provider shall provide full cooperation to Customer, Customer Auditors and Governmental Authorities, including the installation and operation of audit software (provided that such installation and operation of audit software can be done without materially compromising, and shall be subject to, Provider's information system and security procedures).

(iii) Copies of Audit Reports; Notice of Deficiency. Upon completion of any Provider Audit, Provider shall provide Customer and, upon request, Customer Auditors: (1) a copy of the Provider Audit reports, and (2) written Notice of any deficiencies, significant deficiencies or material weaknesses found or reported as a result of the Provider Audit. Provider acknowledges and agrees that Customer and Customer Auditors, upon receiving a copy of the Provider Audit report, shall have the right to review the auditor work papers at the auditor premises, as well as interview the auditor personnel who did the actual audit work in the event Customer or Customer Auditors require clarification on the Provider Audit report and work papers.

(iv) Completion of Customer Audits. Upon completion of any Operational Audit and upon completion of any Financial Audit (collectively, the ***"Customer Audits"***), Customer shall notify Provider of any deficiencies, significant deficiencies or material weaknesses found as a result of the Customer Audit, and provide Provider with copies of portions of Customer Audit reports reflecting or based upon information obtained from Provider.

(v) Access to Provider Agents. Provider shall require all Provider Agents to comply with the applicable provisions of this Section 14 by insertion of the requirements hereof in a written agreement between Provider and each Provider Agent.

(vi) Survival. Provider's obligations under this Section 14 shall extend beyond the Agreement Term for the period specified by Customer's record retention policy, as it may be modified from time to time.

(c) Remediation Plan

As part of the Services, in the event any Audit reveals a deficiency or material weakness Provider shall provide Customer and Customer Auditors with a plan of action to correct the deficiency or material weakness, which plan of action shall be subject to Customer's written approval and shall, at a minimum, include: (i) details of actions to be taken by Provider and Provider Agents to correct the deficiency or material weakness; and (ii) target dates for successful correction of the deficiency or material weakness (***"Remediation Plan"***). Provider shall provide the Remediation Plan within [* * *] of Provider's identification or Customer's Notice of such deficiency or material weakness and shall implement the Remediation Plan as soon as practicable but in no event later than [* * *] after Customer's approval of such plan, or within another time period agreed by the Parties. Provider shall also provide Customer with Notice of: (A) Provider's successful completion of each action identified in the Remediation Plan; and (B) any delays in Provider's completion of the actions identified in the Remediation Plan, accompanied by an explanation of the cause of such delay. During the execution of any Remediation Plan, the Parties shall meet monthly to discuss the plan until the correction of each deficiency or material weakness is complete. The Parties agree that, for Operational Audits, the deficiencies or material weaknesses shall be assessed against Provider's written obligations pursuant to the Master Agreement and the Service Agreements.

(d) Cost of Audits

The costs of Audits shall be borne as follows: (i) Provider shall be responsible for its costs to perform (including any Provider Agents' costs) the Provider Audits and for Provider's and Provider Agents' reasonable cooperation and provision of access for Regulatory Audits and Customer Audits; and (ii) Customer shall be responsible for all costs associated with Customer Audits (other than Provider's reasonable cooperation, support and provision of access), except (A) in the event an audit determines that Provider is in material breach of the "Information Security Requirements" Exhibit, in which case Provider will reimburse Customer for all of its costs of such audit, or (B) as provided for in Section 14.1(c). Notwithstanding the foregoing, if Discretionary Customer Audits under a given Service Agreement require in excess of [* * *] from Provider Personnel during any contract year, Customer will be responsible for payment of Provider Personnel required to support such Discretionary Audits at the rates set forth in the Charges Schedule (unless clause (A) of the immediately preceding sentence applies). ***"Discretionary Customer Audits"*** as used herein means Customer Audits, other than Customer Audits (i) conducted to enable Customer

Group's to meet Customer Compliance Requirements, including any financial reporting requirements, (ii) following a breach (or suspected breach) by Provider of any material obligations under the Agreement, or (iii) following a proposed adjustment in Charges in connection with a change in the Services.

Upon Customer's request, Provider shall provide SSAE reports in addition to the SSAE 16 SOC 1 Type II audits described above, provided that, subject to the next sentence, Customer shall reimburse Provider for its reasonable, incremental costs in connection with providing such additional reports to Customer. Notwithstanding the preceding sentence, if Provider generally makes available additional SSAE Reports to its customer base at a lesser or no cost, Provider shall provide such additional SSAE reports to Customer on the same or better terms. Provider shall notify Customer of any additional charges associated with the provision of such additional or enhanced reports (when applicable), and shall obtain Customer's approval of such charges before beginning work on such additional or enhanced reports.

(e) Provider Records Retention

Provider shall safeguard and retain all Provider Records for such period as may be specified in any Service Agreement or as required by any law, rule or regulation applicable to Customer Group or pursuant to the document retention policies of Customer Group provided to Provider from time to time (but in any event, at least seven years after termination of the applicable Service Agreement). If Provider is notified by Customer of a current and continuing obligation to retain Provider Records related to a legal matter, Provider will suspend its normal retention practices related to the relevant documents until Customer notifies Provider the legal hold for records has been lifted. All such Provider Records shall be maintained in such form (for example, in paper or electronic form) as Customer may direct.

(f) Permitted Auditors

Employees and designees of the Customer and third party auditors who (a) are from time to time designated by Customer and (b) agree in writing to the security and confidentiality obligations and procedures reasonably required by Provider ("***Permitted Auditors***") shall be entitled to conduct Audits, provided, however, use of any Third Party auditor that is a Specified Provider Competitor shall be subject to Provider's prior written approval, such approval not to be unreasonably withheld or delayed (provided that no such approval shall be required to use the auditing services of a "Big Four" accounting firm). For the avoidance of doubt, Permitted Auditors include, at the discretion of Customer, third party consultants with expertise in the types of Services performed under the Agreement.

(g) Certifications in Lieu of Audit

In lieu of conducting any Audit or any portion of any Audit, Provider may tender to Customer and Customer may, in its sole discretion, accept from Provider, a certification, report or other official recognition prepared by an independent third party in accordance

with generally accepted auditing procedures, including, without limitation, SSAE Reports, (a "***Certification***") which certifies that the Services, Service Levels, Charges, Provider's performance of its obligations under the Agreement and the Schedules thereto or any other matter sought to be Audited by Customer complies with standards against which the same are to be measured. Provider shall bear the sole cost and expense for obtaining any Certification. In no event shall the tender of a Certification by Provider or the acceptance by Customer of a Certification preclude Customer from conducting an Audit of the matter covered by the Certification.

15. TECHNOLOGY; INTELLECTUAL PROPERTY RIGHTS

15.1. Technology – Allocation and Refresh

(a) Asset Allocation Matrix

The ownership and operational responsibility for the procurement and maintenance of Equipment, Software and other Assets used in connection with the Services are set forth in the "Asset Allocation Matrix" Schedule to each Service Agreement (each, an ***"Asset Allocation Matrix"***). The Asset Allocation Matrix may be modified only in accordance with the Change Control Procedures.

(b) Technology Refresh

At its expense (including the costs associated with disposing of displaced/outdated Assets), Provider will refresh the Assets in accordance with the refresh requirements and schedule set forth in the Asset Allocation Matrix and any additional terms set forth in a Service Agreement regarding refresh. To the extent expressly provided in the Asset Allocation Matrix, Provider agrees to maintain the Assets in accordance with manufacturer recommendations, industry standards and as necessary to ensure that such Assets have sufficient capacity to allow Provider to perform its responsibilities under the Service Agreements and achieve the Service Levels.

15.2. Customer Materials

(a) Customer Software

The initial list of Customer Owned Software and Customer Licensed Software, if any, that is necessary for the Provider to use, access, manage or maintain in connection with its performance of the Services shall be identified in the "Customer Software" Schedule to each Service Agreement and shall be updated by the Parties as provided therein.

(b) Ownership

As between the Parties, Customer shall be the sole and exclusive owner of: (i) all Customer Software; (ii) all other Materials owned or licensed by Customer Group as of or after the Effective Date, (iii) all enhancements and Derivative Works of such Customer Software and Materials, and (iv) the Work Product (but excluding Performance Work

Product) (collectively, together with any Intellectual Property Rights therein, the ***"Customer Materials"***).

(c) License

Customer hereby grants to Provider a worldwide, royalty-free, non-exclusive, non-transferable and fully paid-up license during the applicable Service Agreement Term (which includes any Termination Assistance Period) to use, maintain, modify and enhance, as applicable, Customer Owned Software for the sole purpose of providing the Services as required under this Agreement. Subject to the Parties having obtained any Required Consents for the Customer Licensed Software, Customer grants to Provider, for the sole purpose of providing the Services, the right to use such Customer Licensed Software under the terms and scope of the license granted to Customer by the provider thereof. Provider shall comply with the duties, including use and non-disclosure restrictions imposed on Customer by the license agreements for such Customer Licensed Software. In addition, Provider will use the Customer Licensed Software in compliance with any applicable use restrictions: (i) that are disclosed by Customer to Provider; or (ii) that are contained in the agreements governing the use of any Customer Licensed Software that are provided or made available to Provider. Provider shall establish an access control procedure designed to limit Provider's physical and logical access and use accordingly. Unless otherwise stated, Provider shall be solely responsible for obtaining, installing, operating and maintaining at its expense any Customer Licensed Software that Provider, or any Third Party on Provider's behalf, installs or operates from within Provider's own or any Third Party's computing environment (i.e., its own copy), and Provider shall be solely responsible for the payment of all fees applicable thereto.

(d) Disclaimer

THE CUSTOMER MATERIALS ARE PROVIDED BY CUSTOMER ON AN AS-IS, WHERE-IS BASIS. CUSTOMER EXPRESSLY DISCLAIMS ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, AS TO SUCH MATERIALS, OR THE CONDITION OR SUITABILITY OF SUCH MATERIALS FOR USE BY PROVIDER TO PROVIDE THE SERVICES, INCLUDING WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT, OR FITNESS FOR A PARTICULAR PURPOSE. The disclaimer in this Section 15.2(d) does not limit Customer's indemnity obligations in Section 20.2(a).

15.3. Provider Materials

(a) Provider Software

The initial list of Provider Owned Software and Provider Licensed Software that is necessary for Provider to perform the Services shall be identified in the "Provider Software" Schedule to each Service Agreement. Each "Provider Software" Schedule shall be updated from time to time as needed, with the prior approval of Customer. Unless otherwise expressly stated, Provider shall be solely responsible for obtaining, installing, operating and maintaining at its expense any Provider Software needed to provide the Services and the

Work Product and as necessary for Customer Group to use and receive the Services or Exploit the Work Product, including the payment of all applicable fees.

(b) Ownership

As between the Parties, Provider shall be the sole and exclusive owner of: (i) all Provider Software; (ii) all other Materials that, as of or after the Effective Date, are owned by Provider or licensed by Provider from Third Parties; (iii) all enhancements and Derivative Works of such Provider Software and Materials; and (iv) all Performance Work Product (collectively, including all Intellectual Property Rights therein, the ***"Provider Materials"***).

(c) License During Provision of Services

Provider hereby grants to Customer Group during the applicable Service Agreement Term (which includes any Termination Assistance Period) a non-exclusive, royalty-free, fully paid, non-transferable license to use, execute, operate, reproduce, display, perform, modify, develop, and personalize the Provider Materials to the extent required for Customer Group to (i) receive and use Services under the applicable Service Agreement, or (ii) to transition Services from Provider to Customer Group (or its designee) in connection with any insourcing of Services by Customer Group.

(d) License Rights Upon Expiration or Termination of a Service

(i) Upon expiration or termination of a Service Agreement (in whole or in part) or termination of any particular Service(s), Provider hereby grants to Customer Group a nonexclusive, worldwide, royalty-free, perpetual, paid-up license to use, execute, operate, reproduce, display, perform, modify, develop, and personalize (A) all Provider Owned Software (object code and source code) (excluding HP Commercially Available Software), (B) all Performance Work Product and (C) all Provider Materials, which, in each case, on the relevant date of expiration or termination, Provider is using to perform the Services then being terminated (together with all Provider Intellectual Property Rights therein). Provider hereby grants equivalent rights to such Software, Performance Work Product and Materials to any Successor Provider. Customer shall not be obligated to reimburse Provider for any one-time fees that may otherwise be chargeable for such Software, Performance Work Product or Materials. Notwithstanding the foregoing, with respect to HP Proprietary Tools that are not HP Commercially Available Software which, on the relevant date of expiration or termination of a Service Agreement (in whole or in part) or termination of any particular Service(s), Provider is using to provide the Services then being terminated, such license shall not be perpetual but shall only be for a reasonable commercial period for Customer Group to obtain comparable replacement tools, but in any event not greater than (i) [* * *] from the expiration or termination of the applicable Service or (ii) the end of the Termination Assistance Period, whichever is longer.

(ii) Upon expiration or termination of a Service Agreement (in whole or in part) or termination of any particular Service(s), Provider hereby grants to Customer Group a nonexclusive, worldwide, object code license to use, execute, operate, reproduce, display, and perform all HP Commercially Available Software which, on the relevant date of expiration or termination, Provider is using to perform the Services then being terminated. The license terms will be consistent with the terms generally applicable to the public for such Software (including without limitation term and termination, and rights to source code, if any); provided that notwithstanding the other terms of this Section 15.3(d)(ii), the license for tools included in HP Commercially Available Software will be royalty free and fully paid up for the first [* * *] but no longer than the Termination Assistance Period. Provider will work with Customer to minimize any one-time license fees that may be due for such license (with respect to HP Proprietary Tools, at the end of the period specified in Section 15.3(d)(i) above). Provider hereby grants equivalent rights to such HP Commercially Available Software to any Successor Provider.

(iii) The licenses granted pursuant to this Section 15.3(d) shall be subject to the following terms and conditions:

(1) such license shall be granted (A) solely to the extent necessary for Customer Group, or a Successor Provider, to continue providing the Services (and other similar services or portions thereof) to Customer Group and Authorized Recipients, (B) solely for the normal business purposes and practices of Customer Group as such existed prior to the effective date of termination or expiration, as the same may evolve in the ordinary course of business, and (C) not as part of any commercial exploitation as a stand-alone product or separately from the Services for which it is a part. Such license shall be provided "As Is"; provided, however, that such license shall be subject to any warranties generally provided to other users of such Software, Performance Work Product or Materials. Such license shall be non-assignable and non-transferable.

(2) Provider hereby reserves all rights not expressly granted in this Section 15.3(d) to Customer Group and Successor Providers with respect to such Software, Performance Work Product and Materials.

(3) Unless mutually agreed otherwise, Provider shall not be required to maintain, which includes correcting any defects or providing any upgrades to, such Software, Performance Work Product and Materials; provided, however, that if Provider is then making maintenance available to other customers with respect to any such item of Software, Performance Work Product or Materials, then

Provider will offer maintenance with respect to such item on commercially reasonable terms and conditions (including pricing terms and conditions).

(e) Third Party Materials Upon Termination or Expiration

For third party Software and Materials which, on the date of expiration or termination of a Service Agreement (in whole or in part) or termination of any particular Service(s), Provider is using:

(i) solely to provide the Services (or the Services then being terminated) to Customer Group, upon Customer's request and to the extent permissible under the applicable third party agreement, Provider will assign or transfer its license (or provide reasonable assistance to Customer obtain such assignment or transfer if prohibited by the terms of such agreement), if any, to such Software and Materials to Customer or its designee upon Customer's reimbursement to Provider of any initial, one-time license or purchase charges in an amount equal to the remaining unamortized value, if any, for the Software and Materials, depreciated over a five-year life, and any transfer fees imposed by the applicable third party; and

(ii) to provide the Services then being terminated to Customer Group and other customers (and/or Provider for its own internal use), Provider will provide reasonable assistance to Customer in obtaining licenses for such Software and Materials (and, failing that, in obtaining a mutually agreeable commercially available substitute, if available, to perform the same functions).

(f) License to Embedded Provider Materials

Provider shall not incorporate any Provider Materials that are Software or documentation or Third Party Software or documentation into Work Product (other than Performance Work Product), even if such items are generally commercially available, without Customer's prior written consent. Unless Customer has agreed otherwise in writing in connection with providing its consent, Provider hereby grants to Customer Group (in addition to and without limitation of any other license rights granted to Customer Group hereunder) a non-exclusive, royalty-free, fully paid, perpetual and worldwide license to use, execute, reproduce, sublicense, display, perform, distribute, create Derivative Works and make modifications and improvements (as part of the Work Product, but not separately therefrom) to any Provider Materials that are incorporated into any Work Product (other than Performance Work Product); provided, however, that (i) this license will not permit the commercial exploitation of such Provider Materials on a stand-alone basis, (ii) [* * *], and (iii) this license will not apply to Provider Materials for which Customer has expressly approved different license terms in writing prior to the incorporation of such Provider Materials into, or the use of such Provider Materials in connection with, the applicable Work Product. [* * *]

15.4. Proprietary Rights

(a) Ownership of Deliverables

(i) Customer shall own all right, title and interest, including worldwide ownership of copyright and patent rights, in and to all Intellectual Property Rights in and to the [* * *]. Provider hereby irrevocably assigns to Customer without further consideration all right, title and interest in and to such [* * *], including patent, copyright, trade secret and other Intellectual Property Rights therein. To the extent permitted by applicable Law, Provider hereby unconditionally and irrevocably waives any moral rights (or other similar rights however denominated in a jurisdiction) otherwise exercisable with respect to such [* * *]. Upon Customer's request, Provider will execute and deliver any documents or take such other actions as may reasonably be necessary to effect or perfect such assignment or waiver. Customer acknowledges that Provider shall own all right, title and interest, including worldwide ownership of copyright and patent rights, in and to all Intellectual Property Rights in and to the [* * *].

(ii) During the Term, Provider shall disclose promptly to Customer any improvements made or conceived by Provider or any Provider Personnel as a part of the work done in connection with a Deliverable, including network diagrams, templates, datasets, Software and reasonably detailed descriptions of processes and procedures.

(iii) To the extent any [* * *] is not deemed a "work for hire" by operation of law, Provider hereby irrevocably assigns, transfers and conveys to Customer, and shall cause the Provider Personnel to assign, transfer and convey to either Customer or Provider (which then assigns, transfers and conveys to Customer pursuant to this Section 15.4(a)(iii)), in each case without further consideration, all of its and their right, title and interest in and to such [* * *], including all Intellectual Property Rights in and to such [* * *].

(iv) The assignment of the Intellectual Property Rights in the [* * *] by Provider and the Provider Personnel to Customer shall be royalty-free, absolute, irrevocable and perpetual.

(v) Customer grants and will grant to Provider, a perpetual, irrevocable, worldwide, non-exclusive and royalty-free right and license to make, have made, use, import, sell, offer to sell separate and distinct products and services developed by Provider and the right to sublicense to a customer of Provider a right under any patent right assigned by Provider to Customer pursuant to this Agreement to use separate and distinct products and services developed by Provider for the benefit of such customer. For the avoidance of doubt, such license shall not include any copyright to any Work Product nor shall

Provider have any license to any Customer Data or Company Information of Customer.

15.5. Source Code

If any Deliverable created includes Software, Provider shall provide Customer with the object code, source code and documentation for such Software (including any Provider Software embedded therein). Such source code and technical documentation shall be sufficient to allow a reasonably knowledgeable and experienced programmer to maintain and support such Software, and the user documentation for such Software shall accurately describe in terms understandable by a typical end user the functions and features of such Software and the procedures for exercising such functions and features.

16. CONFIDENTIALITY AND DATA

16.1. Obligations

Customer and Provider will each refrain from misuse, unauthorized access, storage and disclosure, will hold as confidential and will use the same level of care (including both facility Physical Security and electronic security) to prevent misuse, unauthorized access, storage, disclosure, publication, dissemination to or use by Third Parties of, the Company Information of the other Party as it employs to avoid misuse, unauthorized access, storage, disclosure, publication, dissemination or use of its own information of a similar nature, but in no event less than a reasonable standard of care. The concept of a "reasonable standard of care" shall include compliance by the Party receiving Company Information of the other Party with all Laws and, as to Provider, Customer Compliance Requirements, applicable to the security (Facility Physical Security and logical access and data security), access, storage, disclosure, publication, dissemination and use of such Company Information in the receiving Party's possession, as well as all Laws applicable to the security (Facility Physical Security and logical access and data security), access, storage, disclosure, publication, dissemination and use of such Company Information in the disclosing Party's possession. Notwithstanding the foregoing confidentiality and similar obligations in this Section 16 (but subject to compliance with applicable Laws), the Parties may disclose to and permit use of the Company Information by, in the case of Customer, other members of Customer Group, the ultimate parent company of Customer and any direct or indirect wholly or partially owned subsidiaries of such ultimate parent company, and in the case of both Parties and the other members of Customer Group, the ultimate parent company of such Party and its subsidiaries, their respective legal counsel, auditors, contractors and subcontractors where: (a) such disclosure and use is reasonably necessary, and is only made with respect to such portion of the Company Information that is reasonably necessary to permit the Parties to perform their obligations or exercise their rights hereunder, for the ultimate parent company of Customer to manage its investment in Customer and its other such subsidiaries, or for their respective legal counsel, auditors, contractors and subcontractors to provide the Services to or on behalf of Customer Group or for Customer Group to use the Services or to assist with the management activities of the ultimate parent company of Customer; (b) such auditors, contractors and subcontractors are bound in writing by obligations of confidentiality, non-disclosure and the other restrictive covenants set forth in this Section 16, at least as restrictive and extensive in scope as those set forth in this Section 16; and (c) Provider in the case of Customer Group's

Company Information, and Customer in the case of Provider Company Information, assumes full responsibility for the acts or omissions of the persons and entities to which each makes disclosures of the Company Information of the other Party no less than if the acts or omissions were those of Provider and Customer respectively. Without limiting the generality of the foregoing, neither Party will publicly disclose the terms of the Agreement, except to the extent permitted by this Section 16 or to enforce the terms of the Agreement, without the prior written consent of the other Party. For the purposes of this Section 16, neither Provider nor any Provider Agent shall be considered contractors or subcontractors of Customer Group.

16.2. Exclusions

(a) General Exclusions

Notwithstanding the foregoing and excluding the Customer Data, this Section 16 shall not apply to any information which Provider or Customer can demonstrate was or is: (a) at the time of disclosure to it, in the public domain; (b) after disclosure to it, published or otherwise becomes part of the public domain through no fault of the receiving Party; (c) without a breach of duty owed to the disclosing Party, is in the possession of the receiving Party at the time of disclosure to it; (d) received after disclosure to it from a Third Party who had a lawful right to and, without a breach of duty owed to the disclosing Party, did disclose such information to it; or (e) independently developed by the receiving Party without reference to or use of, including any actions authorized in Section 16.1, the Company Information of the disclosing Party. Further, excluding the Customer Data, either Party may disclose the other Party's Company Information to the extent required by Law, or an order of a court or governmental agency. Further, with the exception of the Customer Data, either Party may disclose the other Party's Company Information to the extent required by Law (including in filings made under the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended), or the rules of any national stock exchange or any listing agreement with such stock exchange to which such Party is or has elected to become subject. However, in the event of disclosure pursuant to an order of a court or governmental agency, and subject to compliance with Law, the recipient of such Company Information shall give the disclosing Party prompt Notice to permit the disclosing Party an opportunity, if available, to obtain a protective order or otherwise protect the confidentiality of such information, all at the disclosing Party's cost and expense; provided, that Customer shall not be obligated to delay the filing or effectiveness of any registration statement under the Securities Act of 1933, as amended, or the offering or sale of any securities pursuant to any such registration statement to accommodate such opportunity.

(b) RFP Assistance

Notwithstanding anything to the contrary in this Section 16, Provider shall provide Customer with information related to the Services that Customer reasonably requests to enable Customer to draft an RFP for some or all of the Services or any New Services and to provide (subject to reasonable confidentiality protections) due diligence information to recipients of an RFP (irrespective of whether Provider is a recipient of such RFP), and in each case Customer may provide such RFP and information to prospective service providers

(subject to reasonable confidentiality protections). Provider further agrees to provide other reasonable RFP assistance to Customer, provided Customer does not release the Provider Company Information, except to the extent permitted by, or otherwise in accordance with, the terms of this Section 16. To the extent additional resources are required, Provider shall be compensated on a time and materials basis for resources and materials used to provide assistance to Customer pursuant to this Section 16.2(b) at the then-current rates provided in the "Charges" Schedule, or if not provided in the "Charges" Schedule, on a commercially reasonable basis consistent with the other Charges.

16.3. Residual Knowledge

The terms of confidentiality under this Section 16 shall not be construed to limit either Party's right to independently develop or acquire products without use of the other Party's Company Information. The disclosing Party acknowledges that the receiving Party may currently, or in the future, be developing information internally, or receiving information from other Persons, that is similar to the Company Information. Accordingly, nothing in this this Section 16 will be construed as a representation or agreement that the receiving Party will not develop or have developed for it, products, concepts, systems or techniques that are similar to or compete with the products, concepts, systems or techniques contemplated by or embodied in the Company Information, provided that the receiving Party does not violate any of its obligations under the Agreement in connection with such development. Further, either Party shall be free to use, for any purpose, Residuals resulting from access to or work with any Company Information, provided that such Party shall maintain the confidentiality of the Company Information as provided herein and provided such use does not infringe or otherwise violate any Intellectual Property Rights of the other Party. The term ***"Residuals"*** means information in non-tangible form which may be retained in the "unaided memory" by Persons who have had access to the Company Information, including ideas, concepts, know-how or techniques contained therein, provided such Company Information is not expressly incorporated in a tangible form provided by the disclosing Party. For purposes of the Agreement, "unaided memory" means to be remembered by an individual without reference to, use of, or the aid of information in any tangible form, and that is not purposefully or intentionally memorized or retained by such individual prior to or after the Effective Date.

17. DATA OWNERSHIP AND SECURITY

17.1. Data Ownership; Customer Data

(a) Data Ownership

All Customer Group's Company Information (including Customer Data, records and reports related to Customer Group, the Customer Business and the Services) whether in existence at the Commencement Date of a Service Agreement or compiled thereafter in the course of performing the Services, shall be treated by Provider and Provider Agents as the exclusive property of Customer Group and the furnishing of such Customer Group's Company Information to, or access to such items by, Provider or Provider Agents shall not grant any express or implied interest in Provider or Provider Agents relating to such Customer Group's Company Information, and Provider's and Provider Agents' use of such Customer

Group's Company Information shall be limited to such use as is necessary to perform and provide the Services to Customer Group and fulfill its obligations under this Master Agreement. Upon request by Customer at any time and from time to time and without regard to the default status of the Parties under the Agreement, Provider and Provider Agents shall promptly and securely deliver to Customer the Customer Group's Company Information (including all data, records and related reports regarding Customer Group, the Customer Business and the Services) in secured electronic format and in such hard copy as exists on the date of the request by Customer. Customer shall be responsible for Provider's actual and reasonable costs associated with the delivery of Customer Group's Company Information where such delivery is solely for the convenience of Customer. For the avoidance of doubt, any delivery of Company Information requested by Customer (i) in connection with the expiration or termination of this Agreement, any Service Agreement or any Services as set forth in Section 18.6(d); or (ii) for diagnostic or operational purposes, shall in each case be provided at no cost or charge to Customer Group.

(b) Copies of Data for Customer

Upon written request to Provider, Provider will return the Customer Data to Customer on such media and in such format as reasonably requested by Customer. Provider will never refuse for any reason, including Customer's material breach of this Agreement, to provide Customer with the Customer Data in accordance with this paragraph. Without limiting any other provision of this Agreement, Provider hereby agrees that Customer is entitled to obtain injunctive relief to enforce the provisions of this Section 17.1. As a part of Provider's obligation to provide Customer Data pursuant to this paragraph, Provider will also provide Customer any data maps, documentation, software, or other materials necessary for Customer to use, translate, interpret, extract and convert the Customer Data for use by Customer or any Third Party.

17.2. Loss of or Unauthorized Access to Company Information

(a) Security Requirements

Customer's guidelines for logical security control measures, written rules, regulations, policies and procedures applicable to Provider's delivery of the Services in effect as of the Effective Date and Customer's guidelines for Physical Security control measures at the Facilities are set forth in the "Information Security Requirements" Exhibit and the "Customer Security Requirements" Schedule to the applicable Service Agreement (the ***"Security Requirements"***). Customer shall notify Provider in writing of any changes, updates, modifications or amendments of the Security Requirements. Within a commercially reasonable period of time, and subject to the Change Control Procedures, Provider will comply, and will ensure that Provider Agents comply (in the manner provided for in Section 13.3(c) of the Master Agreement), with the Security Requirements, as amended by Customer from time to time. For the avoidance of doubt, the Change Control Procedures shall govern the method of implementation and pricing with respect to amendments, updates and changes to the Security Requirements, but will not grant Provider any right to refuse to implement

changes necessary to comply with amendments, updates and changes to the Security Requirements.

(b) Information Security Requirements

Provider shall comply with Customer's requirements for administrative, technical and physical control measures applicable to Provider's delivery of the Services and Customer's requirements for Physical Security at the Facilities, which are set forth in the Security Requirements. Any changes, updates, modifications or amendments to the Security Requirements and Provider shall be handled through the Change Control Procedures.

(c) Safeguards

In addition to any specific requirements set forth in the "Information Security Requirements" Exhibit, Provider shall establish an information security program with respect to Personally Identifiable Information and other Customer Data (and provide a copy of same to Customer) which: (i) ensures the security, confidentiality, integrity and availability of such Personally Identifiable Information and other Customer Data; (ii) protects against any anticipated threats or hazards to the security, confidentiality, availability or integrity of such Personally Identifiable Information or other Customer Data; (iii) protects against any unauthorized access to, use or disclosure of such Personally Identifiable Information or other Customer Data; and (iv) ensure the proper and secure disposal of Personally Identifiable Information and other Customer Data. Provider shall also establish and maintain network and internet security procedures, protocols, security gateways and firewalls with respect to such Personally Identifiable Information and other Customer Data. All of the foregoing shall be consistent with the Security Requirements and: (y) no less rigorous than those administrative, technical and physical control measures maintained by Customer prior to the Commencement Date of the applicable Service Agreement; and (z) no less rigorous than those maintained by Provider for its own data and information of a similar nature.

(d) Physical Security

Provider will maintain and enforce at any Provider Facility safety and security procedures that are in accordance with the most rigorous industry standards and at least as rigorous as those procedures in effect at Customer Facilities as of the Effective Date. In addition, Provider will comply with all reasonable requirements of Customer with respect to security at the Facilities.

(e) Security Assessment

Without limiting the generality of the foregoing, Provider's information security policies shall provide for: (i) regular assessment and re-assessment of the risks to the confidentiality, integrity and availability of Customer Data and systems acquired or maintained by Provider and its agents and contractors in connection with rendering information technology and business process outsourcing services, including (A)

identification of internal and external threats that could result in a Security Breach, (B) assessment of the likelihood and potential damage of such threats, taking into account the sensitivity of such data and systems, and (C) assessment of the sufficiency of policies, procedures, and information systems of Provider and Provider Agents, and other arrangements in place, to control risks; and (ii) protection against such risks.

(f) Media

Provider shall remove all Customer Data from any media taken out of service and shall destroy or securely erase such media in accordance with the Security Requirements, applicable Laws and otherwise in a manner designed to protect against unauthorized access to or use of any Customer Data in connection with such destruction or erasure. No media on which Customer Data is stored may be used or re-used to store data of any other customer of Provider or to deliver data to a Third Party, including another Provider customer, unless securely erased.

(g) Security Breach

[* * *]. All actions undertaken pursuant to this Section 17.2(g) shall be undertaken in accordance with the "Information Security Requirements" Exhibit. [* * *]

(h) Intrusion Detection/Interception

Provider will provide Customer and its representatives with access to Provider's systems, policies and procedures relating to intrusion detection and interception with respect to the Provider systems used to provide the Services that are made available to other customers of Provider that purchase services that are similar to the Services for the purpose of examining and assessing those systems, policies and procedures in accordance with Section 14.2(b) of this Master Agreement.

(i) PCI DSS Acknowledgement

Consistent with Provider's obligations as set forth in this Agreement or a Service Agreement, Provider hereby acknowledges its responsibility for the protection and security of any cardholder data and other Personally Identifiable Information in connection with the performance of the Services.

17.3. Limitation

The covenants of confidentiality and other restrictive covenants set forth herein (a) will apply after the Effective Date to any Company Information disclosed to the receiving Party before and after the Effective Date and (b) will continue and must be maintained from the Effective Date through the termination of the Services and (i) with respect to Trade Secrets, until such Trade Secrets no longer qualify as Trade Secrets under applicable law; (ii) with respect to Confidential Information, for a period equal to the longer of five years after termination of the Parties' relationship

under the Agreement, or as long as required by applicable Law; and (iii) with respect to Customer Data, in perpetuity.

17.4. Data Privacy

As between Customer and Provider, Customer shall be and remain the controller of the Personally Identifiable Information for purposes of the Privacy Laws, with rights to determine the purposes for which the Personally Identifiable Information and other information is accessed, stored and Processed, and nothing in the Agreement will restrict or limit in any way Customer's rights or obligations as owner and controller of its data and information for such purposes. As the controller of such data and other information of Customer Group, Customer will direct Provider's use of and access to the Personally Identifiable Information, which such use and access shall in all cases be solely in accordance with the terms of the Agreement. The Parties also acknowledge and agree that Provider may have certain responsibilities prescribed as of the Effective Date by applicable Privacy Laws or by Customer Group's privacy policies (as in effect and updated by Customer Group from time to time and provided to Provider) as an entity with use of, access to and possibly custody of the Personally Identifiable Information, and Provider hereby acknowledges such responsibilities and agrees that such responsibilities will be considered a part of the Services to be provided by Provider under the Agreement.

To the extent that Provider is deemed to be a controller or joint controller of the Customer Data pursuant to a ruling or finding of any entity with competent jurisdiction and authority to enforce the Directive, Provider agrees to work in good faith with Customer to comply with such finding in a manner that allows Customer to have as much control over the relationship with the data subject who provided the Personally Identifiable Information, and the means and content of communication and other aspects of interaction with data subjects and other persons who provided the Personally Identifiable Information, as legally possible. In the event that Provider receives an access request from any individual data subject, Provider shall both notify Customer and allow Customer to respond to and conduct all communications with such data subject to the maximum extent legally permitted and shall not engage in any communications with the data subject except as required to accomplish the foregoing. The Parties further agree to the provisions set forth in the "Privacy Requirements" Exhibit attached hereto and incorporated herein by reference.

17.5. Legal Support

As requested by Customer, Provider shall (i) implement "legal holds" and other data retention protocols with respect to Customer Group's Company Information in the possession or control of Provider and Provider Agents, and (ii) otherwise assist Customer Group in complying with discovery and data production requirements relating to Customer Group's Company Information in the possession or control of Provider or Provider Agents in connection with litigation, arbitration and other dispute resolution procedures, administrative proceedings, government investigations and internal investigations, including data identification, restoration, retrieval and production. To the extent that such assistance can be accomplished by Provider using existing resources, Provider will provide such assistance at no additional charge. If Provider cannot provide such assistance using existing resources, Provider will provide such assistance in accordance with the Change Control Procedures. The Services pursuant to the preceding sentence may be directed

by Customer's in-house or outside counsel and Provider shall accept instructions from, and report to, such counsel as directed by Customer. In addition, at Customer's request, Provider shall enter into a separate agreement with Customer's outside counsel to perform such Services. Such agreement shall be on terms and conditions substantially similar to those of this Agreement (to the extent relevant) and shall include pricing terms no less favorable than those provided for in this Agreement.

18. TERMINATION

18.1. Termination by Customer

Customer may terminate the Agreement or any Service Agreement in whole or, in the case of termination pursuant to Sections 18.1(a), 18.1(b), 18.1(c), 18.1(d), 18.1(e), 18.1(i), or 18.1(j) in part, as follows:

(a) Material Breach

Upon Notice of termination, effective as of the termination date specified in such Notice of termination, if Provider materially breaches the Master Agreement or any Service Agreement: (i) and does not cure such breach within 30 days of Customer's Notice of material breach; or (ii) in a manner that is not capable of being cured within 30 days.

(b) Persistent Breach

Upon Notice of termination, effective as of the termination date specified in such Notice of termination, if Provider commits numerous breaches under the Agreement which in the aggregate are material and Provider fails within 30 days to cure such breaches by delivery of a plan of remediation acceptable to Customer, or fails to comply with any such Customer approved plan of remediation in any material respect;.

(c) Service Level Termination Event

Upon Notice of termination, effective as of the termination date specified in such Notice of termination, in the event of a Service Level Termination Event.

(d) Failure of Disaster Recovery Services

Upon Notice of termination, effective as of the termination date specified in such Notice of termination, (i) in accordance with Schedule M of a Service Agreement, or (ii) if Provider otherwise materially breaches its Disaster Recovery Services obligations (subject to the cure period provided in Section 18.1(a)).

(e) Convenience

For convenience, by providing Provider at least 90 days' prior Notice of termination, effective as of the date specified in such Notice of termination.

(f) Change of Control of Provider

In the event of a Change of Control of Provider, upon Notice of termination to Provider given not later than 12 months after the occurrence of such Change of Control, effective as of the termination date specified in such Notice of termination.

(g) Change of Control of Customer

In the event of a Change of Control of Customer, upon Notice of termination to Provider given not later than 12 months after the occurrence of such Change of Control, effective as of the termination date specified in such Notice of termination.

(h) Damages Cap Exceeded

Upon Notice of termination, effective as of the termination date specified in such Notice of termination, if (i) Provider causes damages to Customer Group that are subject to the Provider Direct Damages Cap and are in excess of [* * *] of the Provider Direct Damages Cap, and does not agree to reset to zero the damages counted toward the Provider Direct Damages Cap, within ten days of Customer's Notice of reset request; or (ii) Provider causes damages to Customer Group that are subject to the Second Cap and are in excess of [* * *] of the Second Cap, and does not agree to reset to zero the damages counted toward the Second Cap, within ten days of Customer's Notice of reset request.

(i) Force Majeure Failure

Upon Notice of termination, effective as of the termination date specified in such Notice of termination, if any Force Majeure Event lasting longer than [* * *], or more than [* * *] in any [* * *] period substantially prevents, hinders or delays Provider's performance of any of the Services. Customer's right to terminate pursuant to this Section expires at such time as Provider is able to restore the affected Services and meet the Service Levels.

(j) Benchmark Termination Right

Upon Notice of termination, effective as of the termination date specified in such Notice of termination, under the circumstances set forth in the "Market Currency Procedures" Exhibit.

18.2. Termination by Provider

Provider may terminate the applicable Service Agreement for cause upon Notice of termination if (i) Customer does not pay undisputed Charges thereunder by the specified due date and the total of all such overdue undisputed Charges [* * *], in each case where Customer fails to cure such default within 30 days of Provider's Notice of default.

18.3. Equitable Adjustments in the Event of Termination

In the event of any partial termination of a Service Agreement by Customer, the Charges for the portion of the Services so terminated shall be removed from the "Charges" Schedule to the affected Service Agreement and any other terms shall be equitably adjusted to reflect the termination of such portion of the Services.

18.4. Winddown Expenses

(a) Customer Obligation

In the event of a termination by Customer pursuant to [* * *], Customer shall pay Provider any applicable Winddown Expenses and any applicable termination fee specified in the applicable Service Agreement; provided, however, that no Winddown Expenses or termination fee shall be payable by Customer in the event of [* * *]. In the event of a termination pursuant to [* * *], Customer shall pay such Winddown Expenses and any applicable termination fee as follows: (y) [* * *] of such amounts on the effective date of termination; and (z) [* * *] of such amounts upon completion of the Termination Assistance Period, except to the extent expressly set forth otherwise in a Service Agreement. Further, in the event of a termination by Customer pursuant to [* * *], Customer shall pay Provider [* * *] (or other specified amount) of any termination fee specified in the applicable Service Agreement. Except as otherwise provided in a Service Agreement, in no other event shall Customer be responsible for the payment of any termination charge, Winddown Expense, or any fee, payment or penalty of any type. Provider shall use all reasonable efforts to mitigate and minimize any and all Winddown Expenses. Provider shall provide a breakdown of all Winddown Expenses in detail reasonably acceptable to Customer and all invoices for Winddown Expenses and termination fees will be subject to audit by Customer in accordance with Section 14.

(b) Cessation of Charges

Except as set forth in Sections 18.4(a) and 18.5(d), Customer shall not be obligated to pay any Charges that would otherwise accrue and be payable by Customer pursuant to the Agreement or any Service Agreement after the effective date of the expiration or termination of the Agreement, any such Service Agreement or the applicable Services.

18.5. Termination Assistance Services

(a) Cooperation

The Parties agree that Provider will cooperate with Customer Group to assist in the orderly transfer of the services, functions, responsibilities, tasks and operations comprising the applicable Services under each Service Agreement to Customer Group or a Successor Provider in connection with the expiration or earlier termination of the Agreement, any Service Agreement or any portion of the Services for any reason, however described (including as described in Section 13.1(a) or this Section 18). The Services include

Termination Assistance Services and the Termination Assistance Services shall include: (i) providing Customer Group and their respective agents, contractors and consultants, as necessary, with the services described in the "Termination Assistance Services" Schedule to each Service Agreement and such other portions of the Services as Customer may request; (ii) providing Customer Group, Successor Providers or other Third Parties participating in the transition activities, with reasonable access to the business processes, materials, equipment, software and other resources (including human resources) used by Provider to deliver the Services, as reasonably necessary to support the transition of the relevant Services from Provider to performance by Customer Group or one or more Successor Providers of functions to replace such Services; (iii) providing such information regarding the operating environment, system constraints and other operating parameters as is reasonably necessary for the work product of Customer Group, Successor Providers or other Third Parties participating in the transition activities to be compatible with the Services and New Services (if any); (iv) performing integration services with respect to integrating any Third Party software or hardware into the operating environment supporting the Services; (v) RFP assistance as provided for in Section 16.2(b); (vi) providing Customer Group and its Third Parties supporting the Customer Group business, such as contractors and subcontractors, as necessary, with reasonable access to the Hardware, Software and other resources used by Provider to deliver the Services, provided that any such access does not interfere with Provider's ability to provide the Services or Termination Assistance Services; and (viii) such other reasonable cooperation as may be requested by Customer; provided, however, that any such Successor Providers and other Third Parties comply with Provider's reasonable security and confidentiality requirements including execution of a confidentiality agreement consistent with the terms hereof. In addition, upon Customer's request, Provider will provide Customer reasonably detailed specifications for the Hardware, Software, network engineering diagrams and network device configurations needed by Customer to properly provide the Services. Neither the Term nor applicable Service Agreement Term shall be deemed to have expired or terminated until the Termination Assistance Services thereunder are completed, after which Customer shall have no further rights of extension including pursuant to Section 3.3.

(b) Commencement

Upon Customer's request, Provider shall provide Termination Assistance Services in connection with migrating the applicable Service(s) to Customer Group or one or more Successor Providers commencing on the earlier of: (i) the date specified by Customer in a Notice to Provider, provided such date cannot precede the date that is [* * *] prior to expiration of the applicable Service(s), or (ii) upon any Notice of termination or non-renewal of the Agreement or any Service Agreement, either in part with respect to the applicable Service(s) or in whole. Further, Provider shall provide the Termination Assistance Services in accordance with this Section 18.5 even in the event of Customer's material breach, including an uncured payment default, with or without an attendant termination for cause by Provider, so long as Customer pays Provider for the Termination Assistance Services in accordance with this Section 18.5. In no event will Customer's holding of monies in compliance with

Section 8.6 of this Master Agreement be considered a failure by Customer to pay amounts due and payable hereunder.

(c) Duration

Termination Assistance Services shall be provided: (i) through the effective date of the expiration of the applicable Service or Service Agreement; or (ii) in the case of a termination, through the effective date of termination of the applicable Service or Service Agreement or portion thereof (the ***"Initial Termination Assistance Period"***). Upon written request by Customer, provided at least 30 days before the scheduled expiration of the then-current Termination Assistance Period, Provider will provide the Termination Assistance Services for up to an additional period of time requested by Customer (each, a ***"Termination Assistance Period Extension"*** and collectively, with the Initial Termination Assistance Period, the ***"Termination Assistance Period"***). Customer may initiate multiple Termination Assistance Period Extensions; provided, however, in no event shall the Termination Assistance Period exceed a period of [* * *] after the effective date of expiration or termination of the applicable Service or Service Agreement. Each such Termination Assistance Period Extension shall be on the terms, conditions and pricing in effect at the time of the commencement of such extension, subject to any cost of living or other adjustment provided for in the Charges Schedule for such Service Agreement, and to the extent the Termination Assistance Period extends beyond the then-scheduled expiration or termination date, shall be considered an extension of the Service Agreement Term.

(d) Additional Charges Payable During Termination Assistance

If any Termination Assistance Services provided by Provider require the utilization of additional resources that Provider would not otherwise use in the performance of applicable Service Agreement(s), Customer will pay Provider for such usage at the then-current applicable Charges and in the manner set forth in the applicable Service Agreement(s). If the Termination Assistance Services require Provider to incur costs that Provider would not otherwise incur in the performance of the other Services under the applicable Service Agreement(s), then Provider shall notify Customer of the identity and scope of the activities requiring that Provider incur such costs and the projected amount of the charges that will be payable by Customer for the performance of such assistance. Such charges shall be commercially reasonable and consistent with the other Charges. Upon Customer's authorization, Provider shall perform the assistance and invoice Customer for such charges.

18.6. Other Rights Upon Termination

At the expiration or earlier termination, in whole or in part, of the Agreement or any Service Agreement, for any reason, however described, and unless otherwise agreed in the applicable Service Agreement, the Parties agree in each such instance, as applicable:

(a) Hardware

Except as may be otherwise set forth in a Service Agreement, upon Customer's request, Provider agrees to sell to Customer or its designee for the fair market value thereof, the Provider Equipment owned by Provider then currently being used by Provider primarily to perform the terminated or expiring Services. In the case of such Provider Equipment that Provider is leasing, Provider agrees to permit Customer or its designee to either buy-out the lease on the Provider Equipment and purchase the Provider Equipment from the lessor or assume the lease(s) and secure the release of Provider thereon. Customer shall be responsible for any sales, use or similar taxes associated with such purchase of such Provider Equipment or the assumption of such leases.

(b) Provider Employees

Customer and its designee(s) shall be permitted to undertake, without interference from Provider or Provider Agents (including counter offers), to hire, effective after the date when Provider ceases provision of the terminated or expiring Services and any Termination Assistance Services, any Provider Personnel primarily assigned to the performance of the Services at any time during the 12 months preceding such date. Provider shall waive, and shall cause Provider Agents to waive, their rights, if any, under contracts with such Provider Personnel restricting the ability of such Provider Personnel to be recruited or hired by Customer or its designee(s). Provider shall provide Customer and its designee(s) with reasonable assistance in their efforts to hire such Provider Personnel and shall give Customer and its designee(s) reasonable access to such Provider Personnel for interviews, evaluations and recruitment. Each Party shall endeavor to conduct the above-described hiring activity in a manner that is not unnecessarily disruptive of the performance by Provider of its obligations hereunder.

(c) Other Provider Agreements with Third Parties

Upon Customer's request, and unless otherwise indicated in the "Approved Provider Agents" Schedule, Provider will transfer or assign to Customer or its designee, on mutually acceptable terms and conditions, any agreements that Provider holds with Provider Agents, to the extent permitted in such agreements.

(d) Return of Data

The receiving Party and its subcontractors shall, at the disclosing Party's option, promptly and securely destroy (in accordance with the "Information Security Requirements" Exhibit) or deliver to the disclosing Party, the Company Information (including all data, records and related reports) in such format as may be reasonably requested by the disclosing Party and in such hard copy as then exists, and will certify to the disclosing Party that all Company Information has been securely destroyed or returned.

18.7. Effect of Termination/Survival of Selected Provisions

(a) Effect of Bankruptcy

In the event of the bankruptcy of Provider pursuant to the Bankruptcy Code and an attendant rejection of the Agreement or any license granted hereunder pursuant to Section 365 thereof, the Parties intend that the provisions of the Bankruptcy Code shall apply and, to the extent applicable, Customer Group shall be entitled to retain all license rights granted in the Agreement and possession of all embodiments of intellectual property licensed under the Agreement, and to exercise all rights to obtain possession of all embodiments of intellectual property licensed hereunder in accordance with the Agreement and any escrow or other agreement supplementary hereto, and other than payment of fees specifically identified as license fees, Customer Group shall have no obligation to pay any additional fees or payments in connection with the exercise of the license rights granted under the Agreement and use of any embodiments of such licensed intellectual property.

(b) Survival

Notwithstanding the expiration or earlier termination of the Services, the Agreement or any Service Agreement for any reason however described, the following Sections of the Agreement shall survive any such expiration or termination: Sections 8.1, 8.3, 8.6, 8.7, 9.5, 9.9, 10, 13.2(a)(ii), 15.2, 15.3, 15.4 16, 17, 18.5, 18.6, 18.7, 19, 20, 21 (per the timeframe stated in Section 21.1), 22 and 23 and the "Privacy Requirements" Exhibit. Upon termination or expiration of the Agreement, all rights and obligations of the Parties under the Agreement shall expire, except those rights and obligations under those Sections specifically designated to survive in this Section 18.7(b).

(c) Claims

Except as specifically set forth in the Agreement, all claims by any Party accruing prior to the expiration or termination date shall survive the expiration or earlier termination of the Agreement.

19. LIABILITY

19.1. Liability Caps

(a) Direct Damages

Except as provided in Section 19.2, the liability of either Party to the other arising out of, relating to or resulting from the performance or non-performance of its obligations under the Agreement shall be limited to direct damages for each event that is the subject matter of a claim or cause of action.

(b) Provider Direct Damages Cap

EXCEPT AS PROVIDED IN SECTION 19.2, THE LIABILITY OF PROVIDER FOR DAMAGES, OTHER THAN SECOND CAP DAMAGES, AND REGARDLESS OF THE FORM OF ACTION THAT IMPOSES LIABILITY, SHALL NOT EXCEED [* * *] (the ***"Provider Direct Damages Cap"***). SUBJECT TO SECTION 19.2, IF FOR ANY

REASON SECTION 19.1(f) IS UNENFORCEABLE, IN WHOLE OR IN PART, THE PROVIDER DIRECT DAMAGES CAP SHALL APPLY TO ANY DAMAGES (OTHER THAN SECOND CAP DAMAGES) THAT THE PARTIES INTEND TO EXCLUDE PURSUANT TO SECTION 19.1(f).

(c) Second Cap Damages

EXCEPT AS PROVIDED IN SECTION 19.2 AND IN LIEU OF THE LIMITATION SET FORTH IN SECTION 19.1(b) and (d), THE LIABILITY OF EITHER PARTY FOR DAMAGES ARISING UNDER OR IN CONNECTION WITH: (I) A SECURITY BREACH RESULTING FROM OR IN CONNECTION WITH ACTS OR OMISSIONS OF PROVIDER OR CUSTOMER OTHER THAN IN ACCORDANCE WITH THE AGREEMENT, INCLUDING ANY NOTIFICATION OF INDIVIDUALS OF ANY SUCH SECURITY BREACH AND ASSOCIATED NOTIFICATION RELATED COSTS, (II) A BREACH OF SECTION 16 TO THE EXTENT INVOLVING PERSONALLY IDENTIFIABLE INFORMATION; OR (III) A BREACH OF SECTION 17 (DATA OWNERSHIP AND SECURITY) (collectively, ***"Second Cap Damages"***), REGARDLESS OF THE FORM OF ACTION THAT IMPOSES LIABILITY, WILL BE LIMITED TO [* * *] (the ***"Second Cap"***). SUBJECT TO SECTION 19.2, IF FOR ANY REASON SECTION 19.1(f) IS UNENFORCEABLE, IN WHOLE OR IN PART, THE SECOND CAP SHALL APPLY TO ANY SECOND CAP DAMAGES THAT THE PARTIES INTEND TO EXCLUDE PURSUANT TO SECTION 19.1(f). For the avoidance of doubt, the Provider Direct Damages Cap and the Customer Direct Damages Cap are each separate from the Second Cap and any applicable damages incurred under the Provider Direct Damages Cap and the Customer Direct Damages Cap shall not count as damages under the Second Cap (and vice versa).

(d) Customer Cap

EXCEPT AS PROVIDED IN SECTION 19.2, CUSTOMER'S AGGREGATE LIABILITY FOR DIRECT DAMAGES UNDER EACH SERVICE AGREEMENT, OTHER THAN SECOND CAP DAMAGES, SHALL NOT EXCEED [* * *] (the ***"Customer Direct Damages Cap"***). IF FOR ANY REASON SECTION 19.1(f) IS UNENFORCEABLE, IN WHOLE OR IN PART, THE CUSTOMER DIRECT DAMAGES CAP SHALL APPLY TO ANY DAMAGES THAT THE PARTIES INTEND TO EXCLUDE PURSUANT TO SECTION 19.1(f).

(e) No Implied Liability

Inclusion of a cap on damages in this Agreement shall not create or imply liability for damages that a Party does not otherwise have hereunder.

(f) Excluded Damages

Neither Party shall be liable for damages that constitute: (i) loss of interest, profit or revenue of the claiming Party, reputational damage or share price decline; or (ii) incidental,

consequential, special, punitive, exemplary, multiple or indirect damages suffered by the claiming Party, except as the damages described in (i) and (ii) are included as a part of the Service Level Credits, or as otherwise specifically provided for in the Agreement, even if such Party has been advised of the possibility of such losses or damages.

(g) Texas Deceptive Trade Practices Act

To the maximum extent permitted by Law, the Parties waive all provisions of the Texas Deceptive Trade Practices Act – Consumer Protection Act, Subchapter E of Chapter 18 (Sections 17.41 et seq.), Texas Business and Commerce Code (other than Section 17.555) thereof), insofar as the provisions of such Act may be applicable to the Agreement or the transactions contemplated hereby. To evidence its ability to grant such waiver, each Party hereby represents and warrants to the other Party that it (i) is represented by legal counsel of its own selection and is selling or acquiring or disposing of or divesting, as applicable, by sale, purchase, or lease, as applicable, goods or services for commercial or business use for a price that exceeds $500,000; (ii) has, as of the Effective Date, assets of $25,000,000 or more according to its most recent financial statements prepared in accordance with generally accepted accounting principles; (iii) has knowledge and experience in financial and business matters that enable it to evaluate the merits and risks of the transactions contemplated hereby; and (iv) is not in a significantly disparate bargaining position.

19.2. Exclusions; Damages Calculation

(a) Exceptions to Limitation of Liability

Except as provided below, the limitation on the types and amounts of damages set forth in Section 19.1(a) – (f) (inclusive) shall not apply with respect to:

(i) [* * *]

(ii) [* * *]

(iii) [* * *]

(iv) [* * *]

(v) [* * *]

(b) Amounts Not Considered Damages

The following shall not be considered damages subject to, and shall not be counted towards the liability exclusion or caps specified in Section 19.1:

(i) Service Level Credits assessed against Provider pursuant to the Agreement;

(ii) Amounts withheld by Customer in accordance with the Agreement or paid by Customer but subsequently recovered from Provider due either to incorrect Charges by Provider or non-conforming Services; or

(iii) Invoiced Charges and other amounts that are due and owing to from one Party to the other under the Agreement.

(c) Acknowledged Direct Damages

The following shall be considered direct damages and neither Party shall assert that they are indirect, incidental, collateral, exemplary, punitive, consequential or special damages or lost profits to the extent they result from either Party's failure to perform in accordance with the Agreement:

(i) Costs and expenses of recreating or reloading any lost, stolen or damaged Customer Group's Company Information;

(ii) Notification Related Costs;

(iii) Costs and expenses of implementing a work-around in respect of a failure to provide the Services or any part thereof;

(iv) Costs and expenses of replacing lost, stolen or damaged Equipment, Software and Materials;

(v) Cover damages, including the costs and expenses incurred to procure the Services or corrected Services from an alternate source;

(vi) Straight time, overtime or related expenses incurred by either Party, including overhead allocations for employees, wages and salaries of additional employees, travel expenses, overtime expenses telecommunication charges and similar charges;

(vii) Damages, fines, penalties, interest or other monetary remedies resulting from a failure to comply with applicable Laws; and

(viii) Late fees or interest charges resulting from Provider's breach of its obligations with respect to Managed Agreements.

The absence of a direct damage listed in this Section shall not be construed or interpreted as an agreement to exclude it as a direct damage under the Agreement.

(d) Duty To Mitigate

Each Party has a duty to mitigate the damages that would otherwise be recoverable from the other Party pursuant to the Agreement by taking appropriate and commercially reasonable actions to reduce or limit the amount of such damages.

19.3. Remedies

(a) All Available Remedies

At its option, and as further provided by Section 19.3(b) below, either Party may seek all remedies available to it under law and in equity including injunctive relief in the form of specific performance to enforce the Agreement and actions for damages, or, in the case of Customer, to recover the Service Level Credits, subject to the limitations and provisions specified in this Section 19. To the extent that Customer makes a claim for damages arising under this Agreement, the amount of any recoverable damages shall be reduced by any amounts or credits payable to Customer by Provider under this Agreement related to such claim.

(b) Customer Injunctive Relief

Provider acknowledges that its refusal or failure to provide all or any of the Services or comply with this Agreement, or its abandonment of the Agreement or any Service Agreement in violation of this Agreement, or its threat of either of the foregoing (including any violation of Section 16) would each cause irreparable harm, the amount of which would be impossible to estimate, thus making any remedy at law or in damages inadequate. Provider therefore agrees that Customer shall have the right to apply to any court of competent jurisdiction for an injunction compelling specific performance by Provider of its obligations under the Agreement and the applicable Service Agreement(s) without the necessity of Notice, or the posting of any bond or other security, and Provider shall not request the posting of any such bond or other security. This right shall be in addition to any other remedy available under the Agreement, at law or in equity (including the right to recover damages).

20. INDEMNITIES

20.1. Indemnity by Provider

Provider shall indemnify, hold harmless and, except as set forth in Section 20.3(b), defend Customer Group, its and their Affiliates, and the respective current, future and former officers, directors, employees, agents, successors and assigns of each of the foregoing, and each of the foregoing Persons or entities (the ***"Customer Indemnitees"***) upon written demand, from and against any and all Losses incurred by any of them, related to, or arising out of or in connection with:

(a) Infringement Claims

All Claims that any Provider Assets, Work Product, Provider Software, Provider Licensed Software, Services or any other item, information, system, Deliverable, software or service provided or used under the Agreement (the ***"Affected Material"***) by Provider (or any Provider Agent), or use thereof (or access or other rights thereto) in accordance with the terms of the Agreement, infringes or misappropriates any Intellectual Property Right of a Third Party. If any Affected Material is held to constitute, or in Provider's reasonable

judgment is likely to constitute, an infringement or misappropriation, Provider will, in addition to its indemnity obligations, at its expense and option, and after consultation with Customer regarding Customer's preference in such event, either: (i) procure the right for Customer Indemnitees to continue using such Affected Material; (ii) provide Customer with an opinion of counsel reasonably acceptable to Customer as to the invalidity of the asserted Intellectual Property Rights or the non-infringement of the Affected Material; (iii) replace such Affected Material with a non-infringing equivalent, provided that such replacement does not result in a degradation of the functionality, performance or quality of the Affected Material, accompanied by an opinion of counsel reasonably acceptable to Customer as to the non-infringement of the Affected Material and the replacement integrated therein; (iv) modify such Affected Material, or have such Affected Material modified, to make it non-infringing, provided that such modification does not result in a degradation of the functionality, performance or quality of the Affected Material, accompanied by an opinion of counsel reasonably acceptable to Customer as to the non-infringement of the Affected Material and the replacement integrated therein; or (v) create a workaround that would not have any adverse impact on Customer Group, accompanied by an opinion of counsel reasonably acceptable to Customer as to the non-infringement of the Affected Material and the replacement integrated therein. Provider shall have no liability or obligation to any of the Customer Indemnitees under this paragraph (a) with respect to the Affected Materials due to: (A) such Customer Indemnitee's unauthorized use or modification of such item; (B) such Customer Indemnitees' failure to use corrections or enhancements made available by Provider to Customer within a reasonable period of time after such corrections or enhancements were first made available to Customer without cost; or (C) such Customer Indemnitee's use of such item in combination with any product or equipment not owned, developed, contemplated or authorized by Provider, except where Provider knew or should reasonably have known that such combination would be used by Customer or such Customer Indemnitee and did not object. The foregoing sentence constitutes Customer's sole and exclusive remedy, and Provider's entire liability, with respect to claims of infringement or misappropriation of Third Party Intellectual Property Rights.

(b) Personal Injury; Property Claims

All Claims arising from or in connection with: (i) the death or bodily injury of any agent, employee, customer, business invitee, business visitor or other Person caused by the negligence or other tortious conduct of Provider (or Provider Agents), or the failure of Provider (or Provider Agents) to comply with its obligations under the Agreement; and (ii) the damage, loss or destruction of any real or tangible personal property caused by the negligence or other tortious conduct of Provider (or Provider Agents), or the failure of Provider (or Provider Agents) to comply with its obligations under the Agreement.

(c) Provider Agent Claims

All Claims, other than an indemnification claim under the Agreement, initiated by a Provider Agent in connection with or arising out of such Provider's Agent performance

of Services under this Agreement, except to the extent caused by Customer Group's failure to comply with its obligations to such Provider Agent.

(d) Employer Claims

All Claims arising out of, resulting from or related to any act or omission of Provider in its capacity as an employer of a Person and arising out of or relating to (i) Laws for the protection of Persons who are members of a protected class or category of Persons; (ii) protected leave; (iii) discrimination or harassment; (iv) intentional misconduct or negligence; or (v) any other aspect of the employment relationship or its termination (including (A) claims for breach of an express or implied contract of employment; (B) any violation of the laws or regulations of any Governmental Authority regarding the protection of persons or members of a protected class or category of persons by Provider or Provider Agents, or any of the employees of any of the foregoing; (C) discrimination or harassment by Provider or Provider Agents, or any of the employees of any of the foregoing; (D) failure to provide protected leave, or (E) work-related injury caused by Provider or Provider Agents, or any of the employees of any of the foregoing), which arose when the Person asserting the claim, demand, charge, action, cause of action or other proceeding was or purported to be an employee of, or candidate for employment by, the Provider or any of Provider Agents.

(e) Co-Employment Claims

All Claims that any Provider Personnel is an employee or agent of Customer Group, including: (i) the cost of any employee benefits Customer Group is required to provide to or pay for on behalf of any Provider Personnel; and (ii) any Claim brought by any Provider Personnel against Customer Group based upon an express, implied or de facto employer-employee relationship.

(f) Theft and Fraud Claims

All Claims arising from fraud, theft, criminal acts and bad faith committed by, or the intentional misconduct of, Provider or Provider Agents or Provider Personnel.

(g) Tax Claims

All Claims for Provider's Tax liabilities arising from Provider's provision of Services, as set forth in Section 8.3.

(h) Provider Consent Claims

All Claims arising out of the failure of Provider to obtain, or cause to be obtained, any Provider Consents in accordance with Section 13.5.

(i) Compliance; Refusal to Perform Claims

All Claims arising out of Provider's breach of its obligations under Section 7 (Compliance), Section 9.9 (Services Not to Be Withheld) and Section 18.5 (Termination Assistance Services) of the Agreement.

(j) Breach of Warranty Claims

Any Claims arising out of Provider's breach of its representations and warranties set forth in the Agreement (other than Provider's representations and warranties at Sections 10.2(a), 10.2(b) and 10.2(c)).

(k) [* * *]

[* * *]

(l) Third Party Agreement Claims

All Claims (including any increases in the charges payable to a Third Party Provider) in connection with or arising out of Provider's (i) breach of any provision of a Third Party Agreement that has been disclosed to Provider, or (ii) failure to properly and timely perform Provider's obligations with respect to any Managed Agreement, including any increases in the charges payable to the Third Party Provider in connection with same.

20.2. Indemnity by Customer.

Customer shall indemnify, hold harmless and, except as set forth in Section 20.3(b), defend Provider and its Affiliates, and the respective current, future and former officers, directors, employees, agents, successors and assigns of each of the foregoing, and each of the foregoing Persons or entities (the ***"Provider Indemnitees"***), upon written demand, from and against any and all Losses incurred by any of them related to, or arising out of or in connection with:

(a) Infringement Claims

All Claims that any Customer Owned Software and/or Customer Licensed Software, or Provider's use thereof in accordance with the terms of the Agreement, infringes or misappropriates the Intellectual Property Rights of a Third Party. If any Customer Owned Software and/or Customer Licensed Software is held to constitute, or in Customer's reasonable judgment is likely to constitute, an infringement or misappropriation, Customer will, in addition to its indemnity obligations, at its expense and option, and after consultation with Provider regarding Provider's preference in such event, either: (i) procure the right for Provider Indemnitees to continue using such Customer Owned Software and/or Customer Licensed Software; (ii) provide Provider with an opinion of counsel reasonably acceptable to Provider as to the invalidity of the asserted Intellectual Property Rights or the non-infringement of the Customer Owned Software and/or Customer Licensed Software; (iii) replace such Customer Owned Software and/or Customer Licensed Software with a non-infringing equivalent, provided that such replacement does not result in a degradation of the functionality, performance or quality of the Customer Owned Software and/or Customer Licensed Software, accompanied by an opinion of counsel reasonably acceptable to Provider

as to the non-infringement of the Customer Owned Software and/or Customer Licensed Software and the replacement integrated therein; (iv) modify such Customer Owned Software and/or Customer Licensed Software, or have such Customer Owned Software and/or Customer Licensed Software modified, to make it non-infringing, provided that such modification does not result in a degradation of the functionality, performance or quality of the Customer Owned Software and/or Customer Licensed Software, accompanied by an opinion of counsel reasonably acceptable to Provider as to the non-infringement of the Customer Owned Software and/or Customer Licensed Software and the replacement integrated therein; or (v) create a workaround that would not have any adverse impact on Provider's ability to perform the Services, accompanied by an opinion of counsel reasonably acceptable to Provider as to the non-infringement of the Customer Owned Software and/or Customer Licensed Software and the replacement integrated therein. Customer shall have no liability or obligation to any of the Provider Indemnitees under this paragraph (a) with respect to any Customer Software incorporated in any Work Product or to the extent that the claim of infringement or misappropriation is caused by: (A) such Provider Indemnitee's use or modification of such item (on behalf of itself or any other party) other than as expressly authorized pursuant to this Agreement; (B) such Provider Indemnitees' failure to use corrections or enhancements made available by Customer to Provider within a reasonable period of time after such corrections or enhancements were first made available to Provider without cost; or (C) such Provider Indemnitee's use of such item in combination with any product or equipment not owned, developed, contemplated or authorized by Customer, except where Customer knew or should reasonably have known that such combination would be used by Provider or such Provider Indemnitee to provide Services hereunder and did not object. The foregoing sentence constitutes Provider's sole and exclusive remedy, and Customer Group's entire liability, with respect to claims of infringement or misappropriation of Third Party Intellectual Property Rights.

(b) Compliance Claims

All Claims arising from a violation by Customer Group of any federal, state, local or foreign law, rule, regulation or order applicable to Customer Group (or to Provider), excluding any such violation to the extent caused by a breach of this Agreement by Provider or any Provider Agents.

(c) Theft or Fraud Claims

All Claims arising from fraud, theft, criminal acts and bad faith committed by, or the intentional misconduct of, Customer Group or employees of Customer Group.

(d) Tax Claims

All Claims for Customer's tax liabilities, if any, as set forth in Section 8.3.

(e) Employer Related Claims

All Claims arising out of, resulting from or related to any act or omission of Customer Group in Customer Group's capacity as an employer of a Person and arising out of or relating to applicable: (i) Laws for the protection of Persons who are members of a protected class or category of Persons; (ii) discrimination or harassment; and (iii) any other aspect of the employment relationship or its termination (including claims for breach of an express or implied contract of employment) which arose when the Person asserting the claim, demand, charge, actions, cause of action or other proceeding was or purported to be an employee of, or candidate for employment by, Customer.

(f) Personal Injury; Property Claims

All Claims arising from or in connection with: (i) the death or bodily injury of any agent, employee, customer, business invitee, business visitor or other Person caused by the negligence or other tortious conduct of Customer (or Customer Agents), or the failure of Customer (or Customer Agents) to comply with its obligations under the Agreement; and (ii) the damage, loss or destruction of any real or tangible personal property caused by the negligence or other tortious conduct of Customer (or Customer Agents), or the failure of Customer (or Customer Agents) to comply with its obligations under the Agreement.

20.3. Indemnification Procedures

(a) Notice

An indemnified Party under this Section 20 shall promptly Notify the indemnifying Party of any Claim with respect to which it seeks indemnity under this Section 20, provided that a failure by an indemnified Party to do so shall not relieve the indemnified Party from any of its obligations under this Section 20 except to the extent that the defense of such Claim is materially prejudiced by such failure.

(b) Defense

An indemnifying Party shall, except as provided in the immediately following sentence and the last sentence of this paragraph, assume the defense of such Claim, with counsel reasonably satisfactory to the indemnified Party to represent the indemnified Party in such proceeding and shall pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified Party shall have the right to retain its own counsel and participate in the defense of such Claim, but the fees and expense of such counsel shall be at the expense of such indemnified Party unless: (i) the indemnifying Party and the indemnified Party shall have mutually agreed to the retention of such counsel; or (ii) the named Parties to any such proceeding (including any impleaded parties) include both the indemnifying Party and the indemnified Party and representation of both Parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is agreed that the indemnifying Party shall not, in respect of the legal expense of any indemnified Party in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all such indemnified Parties and that all such fees and expenses

shall be reimbursed as they are incurred. The indemnifying Party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there is a final judgment for the plaintiff, the indemnifying Party agrees to indemnify the indemnified Party from and against any Losses by reason of such settlement or judgment. No indemnifying Party shall, without the prior written consent of the indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified Party is or could have been a party and indemnity could have been sought hereunder by such indemnified Party: (x) if such settlement; (A) involves any form of relief other than the payment of money, (B) involves any finding or admission of any violation of any Law or any of the rights of any Person or (C) has any adverse effect on any other Claims that have been or may be made against the indemnified Party, or (y) if such settlement involves only the payment of money, unless it includes an unconditional release of such indemnified Party of all liability on claims that are the subject of such proceeding. An indemnified Party may assume control of the defense of any Claim: (1) if it irrevocably waives its right to indemnity under this Section 20, or (2) if, without prejudice to its full right to indemnity under this Section 20: (aa) the indemnifying Party fails to provide reasonable assurance to the indemnified Party of its financial capacity to defend or provide indemnification with respect to such Claim, (bb) the indemnified Party determines in good faith that there is a reasonable likelihood that a Claim would materially and adversely affect it or any other indemnitees other than as a result of monetary damages that would be fully reimbursed by an indemnifying Party under the Agreement, or (cc) the indemnifying Party refuses or fails to timely assume the defense of such Claim; or (3) in case of Customer, pursuant to Section 20.4.

20.4. Customer Assumption of Defense

(a) Assumption

Following delivery by Customer to Provider of a Notice of Assumption of Defense, Customer shall itself be entitled to assume the defense of a Claim for which Provider is required to indemnify any Customer Indemnitees hereunder, if Customer determines in its reasonable discretion that (i) the Claim relates to or arises in connection with any criminal proceeding, action, indictment, allegation or investigation of Customer Group (or any other Customer Indemnitees); (ii) the Claim seeks an injunction or equitable relief against Customer Group; (iii) any such Claim, or the litigation or resolution of any such Claim, involves an issue or matter that is reasonably likely to have a material adverse effect on Customer Group; or (v) the Claim relates to Customer's obligations under the Securities Exchange Act of 1934. Customer shall have the right to assume such defense upon the delivery of Notice to Provider (a ***"Customer Assumption Notice"***), which Notice shall include the name of the firm(s) and attorney(s) that Customer proposes to engage to defend such claim or action.

(b) Customer Obligations

Provider's obligations to pay for the cost of defense of, and any other Losses related to, or arising out of or in connection with, a Claim where Customer elects to assume the defense of such Claim under this Section shall be subject to the following:

(i) Provider shall have the right to approve the counsel that Customer seeks to retain in connection with such Claim, such approval not to be unreasonably withheld, conditioned, delayed or denied, so long as there are no (A) nonwaivable conflicts of interest between plaintiffs and such counsel, or (B) nonwaivable conflicts of interest between such counsel and Provider in current litigation or other current adverse proceedings being conducted by a third party, such as a regulatory action or an arbitration or mediation;

(ii) Provider shall have the right to participate in the defense of such Claim with counsel of its choosing at its own expense in connection with Provider's indemnification obligations for such Claim, so long as all decision making authority with respect to such litigation or proceeding remains exclusively with Customer and Provider's participation does not constitute a conflict of interest or create other prejudice to any Customer Indemnitee; and

(iii) Customer shall not enter into any settlement or consent judgment in relation to such Claim without the prior written approval of Provider, which shall not be unreasonably withheld, conditioned, denied or delayed.

(c) Provider Obligations

Subject to the preceding conditions, following the delivery of the Customer Assumption Notice, (i) Provider shall not be entitled to assume or continue, as applicable, control of such defense; and (ii) shall pay the reasonable fees and expenses of counsel retained by Customer and shall indemnify Customer Indemnitees pursuant to the terms of the Agreement.

21. INSURANCE AND RISK OF LOSS

21.1. Provider Insurance

(a) Policies and Coverage Amounts

During the Term of the Agreement and for a period of at least one year thereafter, Provider and each Provider Agent that provides or performs any of the Services shall maintain and keep in force, at its own expense and without limiting its indemnity obligations as set forth in Section 20.1 of the Agreement, the insurance coverages and limits set forth in the "Insurance Requirements" Exhibit, in accordance with the Agreement, in forms and with insurance companies qualified to do business in the states where the Services are performed.

(b) Certificates

Provider shall deliver, and shall cause Provider Agents performing any portion of the Services under the Agreement to deliver, certificates of insurance verifying the required coverage, in a form reasonably acceptable to Customer, prior to the Commencement Date. Following the Commencement Date, Provider shall provide, and shall cause each of Provider Agents performing any portion of the Services under the Agreement to provide, certificates of insurance verifying the required coverage upon Customer's written request. Provider agrees to provide, and shall cause each of Provider Agents performing any portion of the Services under the Agreement to provide, in a form reasonably acceptable to Customer, renewals of such certificates of insurance upon receipt of such renewals. Neither Customer's failure to request evidence of insurance coverage required hereunder nor receipt or acceptance by Customer of any certificate of insurance that does not satisfy the coverage criteria set forth in this Section 21, shall operate as a waiver of Provider's or Provider Agents' obligations hereunder.

(c) General Requirements

With the exception of any captive insurance companies which are Affiliates of Provider, the required insurance shall be provided by insurance companies that have a minimum A.M. Best Rating of A- VII. Provider and any Provider Agents performing any portion of the Services under the Agreement shall include Customer as an additional insured on all policies described in the "Insurance Requirements" Exhibit (other than the workers' compensation, property, professional liability, cyber liability, errors and omissions, and crime insurance policies). All liability insurance policies shall be written on an "occurrence" policy form, except as expressly provided in the "Insurance Requirements" Exhibit. Customer Group shall be named as loss payee as its interest may appear on the property insurance policy of Provider. Provider shall be responsible for payment of any and all deductibles, self-insured retentions, and self-insurance carried by Provider under its insurance program(s). The coverage afforded under any insurance policy obtained by Provider pursuant to the Agreement shall be primary with respect to Provider's acts or omissions and not be in excess of, or contributing with, any insurance maintained by Customer Group and its assigns. Provider and Provider Agents shall not perform under the Agreement without the prerequisite insurance. Unless previously agreed to in writing by Customer, Provider and Provider Agents shall comply with the insurance requirements herein and Provider agrees to be solely responsible for any deficiencies in the coverage, policy limits and endorsements of Provider Agents performing any portion of the Services under the Agreement. If Provider or Provider Agents fail to comply with any of the insurance requirements herein, upon Notice to Provider by Customer and a ten day cure period, Customer shall have the right, but not the obligation, to provide or maintain any such insurance, and to deduct the cost thereof from any amounts due and payable to Provider under the Agreement, or, in the event there are no such amounts due and payable, Provider shall reimburse Customer for such costs on demand.

(d) No Limitation

The Parties do not intend to shift all risk of loss to insurance. The including of Customer as additional insured is not intended to be a limitation of Provider's liability and shall in no event be deemed to, or serve to, limit Provider's liability to Customer Group to available insurance coverage or to the policy limits specified in this Section 21 nor to limit Customer's rights to exercise any and all remedies available to Customer under contract, at law or in equity.

21.2. Risk of Property Loss

Provider and Customer each shall be responsible for damages to their respective tangible personal or real property (whether owned or leased), and each Party agrees to look only to their own insuring arrangements (if any) with respect to such damages; provided, however, that Provider shall be responsible for damages to tangible property of Customer Group under the control of Provider and Provider Agents (or as to which it has indemnification obligations).

21.3. Waiver of Subrogation

(a) Provider Waiver

Provider waives all rights to recover against Customer Group for any loss or damage to its tangible personal property (whether owned or leased) from any cause covered by insurance maintained by Provider, including any deductible or self-insured retention. Provider will cause its insurers to issue appropriate waivers of subrogation rights endorsements to all property insurance policies maintained by Provider and workers' compensation coverage; provided, however, Provider shall give Customer Notice if a waiver of subrogation is unobtainable, or obtainable only at additional expense.

(b) Provider Agent Waiver

Provider shall cause each of Provider Agents performing any portion of the Services under the Agreement to: (i) waive all rights to recover against Customer Group for any loss or damage to such Provider Agent's tangible personal property (whether owned or leased) from any cause covered by insurance maintained by such Provider Agent, including its deductibles or self-insured retentions; and (ii) cause their insurers to issue appropriate waivers of subrogation rights endorsements to all property insurance policies maintained by such Provider Agent.

22. GOVERNING LAW; DISPUTE RESOLUTION

22.1. Governing Law

All rights and obligations of the Parties relating to the Agreement shall be governed by and construed in accordance with the Laws of the State of Texas, without giving effect to any choice-of-law provision or rule (whether of the State of Texas or any other jurisdiction) that would cause the application of the Laws of any other jurisdiction.

22.2. Disputes in General

The Parties will resolve all Disputes in accordance with the procedures described in the "Dispute Resolution Procedures" Exhibit.

23. GENERAL

23.1. Relationship of Parties

(a) No Joint Venture

The Agreement (including the Service Agreements) shall not be construed as constituting either Party as partner, joint venture or fiduciary of the other Party or to create any other form of legal association that would impose liability upon one Party for the act or failure to act of the other Party, or as providing either Party with the right, power or authority (express or implied) to create any duty or obligation of the other Party.

(b) Publicity

Each Party will submit to the other Party all advertising, written sales promotion, press releases and other publicity matters relating to the Agreement in which the other Party's name or marks are mentioned or language from which the connection of such name or marks may be inferred or implied, and will not publish or use such advertising, sales promotion, press releases, or publicity matters without prior written approval of the other Party, which, in the case of Customer, may be withheld in its sole discretion.

23.2. Entire Agreement, Updates, Amendments and Modifications

The Agreement (including the Service Agreements) constitutes the entire agreement of the Parties with regard to the Services and matters addressed herein (and therein), and all prior agreements, letters, proposals, discussions and other documents regarding the Services and the matters addressed in the Agreement (including the Service Agreements) are superseded and merged into the Agreement (including the Service Agreements). Updates, amendments, corrections and modifications to the Agreement including the Service Agreements, and waivers of its terms, may not be made orally, but shall only be made by a written document signed by both Parties. Any terms and conditions varying from the Agreement (including the Service Agreements) on any order or written notification from either Party shall not be effective or binding on the other Party.

23.3. Waiver

No waiver of any breach of any provision of the Agreement shall constitute a waiver of any prior, concurrent or subsequent breach of the same or any other provisions hereof.

23.4. Severability

If any provision of the Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby, and such provision shall be deemed to be restated to reflect the Parties' original intentions as nearly as possible in accordance with applicable Law(s).

23.5. Counterparts

The Master Agreement and each Service Agreement may be executed in counterparts. Each such counterpart shall be an original and together shall constitute but one and the same document. The Parties agree that a PDF, photographic or facsimile copy of the signature evidencing a Party's execution of this Agreement shall be effective as an original signature and may be used in lieu of the original for any purpose.

23.6. Binding Nature and Assignment

The Agreement will be binding on the Parties and their respective successors and permitted assigns. Except as provided in this Section 23.6, neither Party may, or will have the power to, assign the Agreement (or any rights, benefits or obligations hereunder, including the right to receive payments hereunder) by operation of law or otherwise without the prior written consent of the other, except that Customer may assign its rights and delegate its duties and obligations under this Agreement (i) to an Affiliate or (ii) as a whole as part of the sale or transfer of all or substantially all of its assets and business, including by merger or consolidation with a Person that assumes and has the ability to perform Customer's duties and obligations under this Agreement, without the approval of Provider. Customer shall not withhold its consent to any assignment or novation by Provider in connection with the HP Separation. Any attempted assignment that does not comply with the terms of this Section 23.6 shall be null and void.

23.7. Notices

(a) Form

Except as otherwise set forth in the Agreement, each Notice must be transmitted, delivered, or sent by:

(i) Courier or messenger service, whether overnight or same-day; or

(ii) Certified United States mail, with postage prepaid and return receipt requested.

(b) Addresses

(i) The Parties shall transmit, deliver, or send Notices to the other Party at the address for that Party set forth below, or at such other address as the recipient has designated by Notice to the other Party in accordance with this Section 23.7.

(ii) Notices for or concerning a Force Majeure Event or breach or alleged breach of the Agreement (including a Service Level Termination Event) shall be given in accordance with Section 23.7(a)(ii) above:

If to Customer:

Title:	Chief Procurement Officer
Business Name:	Sabre Inc.
Street Address:	3150 Sabre Drive
City, State Zip:	Southlake, Texas 76092
Phone:	[* * *]
E-Mail Address:	[* * *]

with copies to:

Title:	Chief Product and Technology Officer
Business Name:	Sabre Inc.
Street Address:	3150 Sabre Drive
City, State Zip:	Southlake, Texas 76092
Phone:	[* * *]
E-Mail Address:	[* * *]

and

Title:	General Counsel
Business Name:	Sabre Inc.
Street Address:	3150 Sabre Drive
City, State Zip:	Southlake, Texas 76092
Phone:	[* * *]
E-Mail Address:	[* * *]

If to Provider:

Title:	Vice President & Account Executive – Sabre Account
Business Name:	HP Enterprise Services, LLC
Street Address:	5400 Legacy Drive
Mail Drop:	H4-GF-22
City, State Zip:	Plano, Texas 75024
Phone:	[* * *]
E-Mail Address:	[* * *]

with copies to:

Title:	Account Operations Manager – Sabre Account
Business Name:	HP Enterprise Services, LLC
Street Address:	5400 Legacy Drive
Mail Drop:	H4-GF-22
City, State Zip:	Plano, Texas 75024
Phone:	[* * *]
E-Mail Address:	[* * *]

and

Title:	Deputy General Counsel
Business Name:	HP Enterprise Services
Street Address:	7500 Legacy Dr.
Mail Drop:	H4-1H-13
City, State Zip:	Plano, TX 75024
Phone:	[* * *]
E-Mail Address:	[* * *]

(iii) Notices for or concerning all other matters shall be given to:

If to Customer:

Title:	Chief Procurement Officer
Business Name:	Sabre Inc.
Street Address:	3150 Sabre Drive
City, State Zip:	Southlake, Texas 76092
Phone:	[* * *]
E-Mail Address:	[* * *]

If to Provider:

Title:	Account Operations Manager – Sabre Account
Business Name:	HP Enterprise Services, LLC
Street Address:	5400 Legacy Drive
Mail Drop:	H4-GF-22
City, State Zip:	Plano, Texas 75024
Phone:	[* * *]
E-Mail Address:	[* * *]

(c) Effectiveness

(i) Each Notice transmitted, delivered, or sent by courier or messenger service, or by certified United States mail (postage prepaid and return receipt requested) shall be deemed given, received, and effective on the date delivered to or refused by the intended recipient (with the return receipt or the equivalent record of the courier or messenger being deemed conclusive evidence of delivery or refusal).

(ii) Nevertheless, if the date of delivery is not a Business Day, or if the delivery is after 5:00 p.m., local time in Dallas County, Texas, on a Business Day, the communication shall be deemed given, received, and effective on the next Business Day.

(iii) Either Party from time to time may change its address or designee for notification purposes by giving the other Party Notice of the new address or designee with ten days prior Notice of the effective date of such change.

(iv) Whenever a period of time is stated for Notice, such period of time is the minimum period and nothing in this Section 23.7 or the Agreement shall be construed as prohibiting a greater period of time.

23.8. No Third Party Beneficiaries

The Parties do not intend, nor will any Section hereof be interpreted, to create for any third party beneficiary rights with respect to either of the Parties, except that each of the other members of Customer Group shall be a third party beneficiary under the Agreement, and the third parties identified in Section 20 will have the rights and benefits described in that Article.

23.9. Rules of Construction

Interpretation of the Agreement shall be governed by the following rules of construction: (i) words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires, (ii) the word "including" and words of similar import shall mean "including, without limitation;" (iii) provisions shall apply, when appropriate, to successive events and transactions; (iv) the headings contained herein are for reference purposes only and shall not affect in any way the meaning or interpretation of the Agreement; (v) the words "herein," "hereto," "hereinafter" and words of similar import refer to the Agreement as a whole; (vi) the word "or" shall be held to include "and" as the context requires; and (vii) the Agreement was drafted with the joint participation of both Parties and shall be construed neither against nor in favor of either, but rather in accordance with the fair meaning hereof. In the event of any apparent conflicts or inconsistencies between the provisions of this Master Agreement, the Exhibits, the Service Agreements, the Schedules or other attachments to the Agreement and Service Agreements, such provisions shall be interpreted so as to make them consistent to the extent possible, and if such is not possible, the provisions of Section 2.3 shall control.

23.10. Further Assurances

During the Term and at all times thereafter, each Party shall provide to the other Party, at its request, reasonable cooperation and assistance (including the execution and delivery of affidavits, declarations, oaths, assignments, samples, specimens, certificates and any other documentation) as necessary to effect the terms of the Agreement.

23.11. Expenses

Each Party shall be responsible for the costs and expenses associated with the preparation or completion of the Agreement and the transactions contemplated hereby except as specifically set forth in the Agreement.

23.12. References to Sections, Exhibits and Schedules

Unless otherwise specified herein, all references in a Service Agreement, Section, Exhibit, or Schedule to a "Service Agreement", "Section", "Exhibit" or "Schedule" shall be deemed

to be references to the corresponding Service Agreement, Section, Exhibit, Schedule of the Agreement.

EXHIBIT 1

DEFINITIONS

This is EXHIBIT 1, DEFINITIONS, to that certain Master Services Agreement, dated as of November 1, 2015, between Sabre GLBL Inc. ***("Customer")*** and HP Enterprise Services, LLC (***"Provider"***).

The following terms used in the Agreement shall have the meanings indicated:

15.3 Notice has the meaning set forth in Section 15.3(f) of the Master Agreement.

A&T has the meaning set forth in the "Account Governance" Exhibit.

Acceptance Criteria has the meaning set forth in the "Acceptance Test Procedures" Exhibit.

Acceptance Period means the time period for acceptance testing set forth in the "Acceptance Test Procedures" Exhibit.

Accepted means, with respect to a Service or Deliverable, that such Deliverable or the result of the Service has been reviewed and tested by Customer in accordance with the procedures set forth in the "Acceptance Test Procedures" Exhibit and complies with the Acceptance Criteria.

Account Governance has the meaning set forth in the "Account Governance" Exhibit.

Acquired Business has the meaning set forth in Section 4.1(b)(i) of the Master Agreement.

Additional Tests has the meaning set forth in the "Acceptance Test Procedures" Exhibit.

Affected Material has the meaning set forth in Section 20.1(a) of the Master Agreement.

Affected Products has the meaning set forth in Section 10.2(n) of the Master Agreement.

Affiliate means, with respect to a Party, any entity at any tier that controls, is controlled by, or is under common control with, that Party. For purposes of this definition, the term "control" (including with correlative meanings, the terms "controlled by" and "under common control with") means the possession directly or indirectly of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting securities, by trust, management agreement, contract or otherwise.

Aggregate Disputed Amount has the meaning set forth in Section 8.7 of the Master Agreement.

Agreement has the meaning set forth in Section 2.1(c) of the Master Agreement.

Annual Audit Plan has the meaning set forth in Section 14.2(a) of the Master Agreement.

Arbitration Rules has the meaning set forth in the "Dispute Resolution Procedures" Exhibit.

Asset Allocation Matrix has the meaning set forth in Section 15.1(a) of the Master Agreement.

Asset Changes has the meaning set forth in the "Change Control Procedures" Exhibit.

Assets means the equipment, software, goods and other assets which are owned or used by Customer or Provider, or their Affiliates, agents or subcontractors, in connection with the provision or receipt of the Services.

Assumed Agreement has the meaning set forth in the applicable "Third Party Agreements" Schedule.

Audit means collectively and individually, Customer Audits, Provider Audits, and Regulatory Audits.

Authorized Recipients means, individually and collectively: (i) any joint venture in which Customer Group has an ownership interest; (ii) Third Parties to whom Customer Group provides products, services or information, or access rights thereto, or to whom Customer Group is otherwise contractually obligated; and (iii) Third Parties from whom Customer Group receives products, services or information, or access rights thereto, or that are otherwise contractually obligated to Customer Group, to the extent access to or use of the Services is necessary for those Third Parties to provide products, services, information or access rights, or perform their obligations, to Customer Group.

Authorized Third Parties has the meaning set forth in the "Privacy Requirements" Exhibit.

Bankruptcy Code means the United States Bankruptcy Code, codified in Title 11 of the United States Code, as amended.

BCR-Ps has the meaning set forth in the "Privacy Requirements" Exhibit.

Benchmark Results has the meaning set forth in the "Market Currency Procedures" Exhibit.

Benchmarked Services has the meaning set forth in the "Market Currency Procedures" Exhibit.

Benchmarker refers to each of the persons that may participate in the Benchmarking Process as further described in the "Market Currency Procedures" Exhibit.

Benchmarking Process has the meaning set forth in the "Market Currency Procedures" Exhibit.

Best Value has the meaning set forth in the "Market Currency Procedures" Exhibit.

Business Days means each Monday through Friday, other than national holidays recognized by Customer. Unless specifically identified as a Business Day, the term "day" shall mean calendar day.

CAB has the meaning set forth in the "Account Governance" Exhibit.

CDC means the Cherokee Data Center located at 7400 N. Lakewood, Tulsa, OK 74117.

Certification has the meaning set forth in Section 14.2(g) of the Master Agreement.

Change Control Procedures has the meaning set forth in Section 13.6(d) of the Master Agreement.

Change means: (1) any change to the Services, the Service Levels, or the Provider Assets used to provide the Services that, in each case, would alter the (a) functionality, Service Levels or technical environment of the Provider Assets used to provide the Services, (b) manner in which the Services are provided, (c) composition of the Services or (d) cost to Customer Group or Provider of the Services; (2) any change to the Facilities or the Security Requirements, or Customer Compliance Requirements; (3) any change that disrupts the provision of the Services; or (4) any amendment, modification, addition or deletion proposed by a Party to the Agreement.

Change of Control means the transfer of Control (as defined in the definition of Affiliate), or sale of all or substantially all of the assets (in one or more transactions), of a Party or other designated person or entity, from the person or persons that hold such Control of such Party or other designated person or entity on the Effective Date to another person or persons, but shall not include a transfer of Control, or such a sale of assets, to an Affiliate of such Party or the loss of Control by such person or persons without a resulting transfer to another person or persons (e.g., pursuant to the issuance of voting securities representing Control in a broadly-distributed public offering) or other designated person or entity.

Change Order means a document that amends the Agreement, or an individual Service Agreement and which is executed pursuant to the Change Control Procedure.

Change Proposal has the meaning set forth in the "Change Control Procedures" Exhibit.

Change Proposal Meeting has the meaning set forth in the "Change Control Procedures" Exhibit.

Charges has the meaning set forth in the "Charges" Schedule to each Service Agreement.

CIOs has the meaning set forth in the "Account Governance" Exhibit.

Claim means any civil, criminal, administrative, regulatory or investigative action or proceeding commenced or threatened by a Third Party, including Governmental Authorities and regulatory agencies, however described or denominated.

Commencement Date means the date on which Provider begins to provide Services under a Service Agreement as agreed upon by the Parties, and as set forth in the "Transition" Schedule to such Service Agreement. There may be a separate Commencement Date for a particular Service or set of Services.

Company Information means collectively the Confidential Information and Trade Secrets of a Party and a designated group including such Party, and with respect to Customer Group includes the Customer Data.

Comparable Services has the meaning set forth in the "Market Currency Procedures" Exhibit.

Comparators has the meaning set forth in the "Market Currency Procedures" Exhibit.

Completion Date has the meaning set forth in the "Market Currency Procedures" Exhibit.

Complex Dispute List has the meaning set forth in the "Dispute Resolution Procedures" Exhibit.

Confidential Information means with respect to a Party or a designated group including such Party, any and all proprietary information of the disclosing Party, of such group and of Third Parties in the possession of the disclosing Party or such group, treated as secret or confidential by the disclosing Party or such group that does not constitute a Trade Secret. For the avoidance of doubt, Confidential Information also includes: (i) information which has been disclosed to such Party or such group by a Third Party, which Party or group is obligated to treat as confidential or secret; (ii) with respect to Customer Group, the Customer Data, underlying literary material, creative elements, style guides, research material and data, specifications, technologies, systems, processes, technological developments or other proprietary materials as well as other confidential and proprietary information unrelated to the foregoing such as patents, copyrights, trademark, sales and financial data, prices and manufacturing and distribution methods, which Provider has heretofore obtained or had access to or may obtain or have access to during the Term of the Agreement, as well as any proprietary technical or business information of third parties which is made available to Provider in connection with Services hereunder; (iii) with respect to Provider, the Provider Software and with respect to Customer, Customer Owned Software and Work Product (excluding Performance Work Product); and (iv) with respect to both Parties, the financial and other terms of the Agreement and the Services.

Contract and Commercial Committee means the committee comprised of personnel of both Provider and Customer described in the "Account Governance" Exhibit.

Contract Change Control Procedures has the meaning set forth in Section 13.6(b) of the Master Agreement.

Contract Change has the meaning set forth in the "Change Control Procedures" Exhibit.

Contract Change Request has the meaning set forth in the "Change Control Procedures" Exhibit.

Correction Period has the meaning set forth in the "Acceptance Test Procedures" Exhibit.

CPO has the meaning set forth in the "Account Governance" Exhibit.

Critical Transformation Activities has the meaning set forth in Section 11.2(b) of the Master Agreement.

Critical Transformation Milestones has the meaning set forth in Section 11.2(b) of the Master Agreement.

Critical Transition Activities has the meaning set forth in Section 11.1(b) of the Master Agreement.

Critical Transition Milestones has the meaning set forth in Section 11.1(b) of the Master Agreement.

CRS means a computer system as and when used to provide CRS Services.

CRS Services means the information, products, services and related functionality provided through a computer system that collects, stores, processes, displays and distributes through workstations, the Internet or interactive devices information concerning air and ground transportation, lodging and/or other travel-related products and services which enable subscribers of the services to do any of the following: (i) access, reserve or otherwise confirm the use of such information, products and services; (ii) report or receive payment for or otherwise clear transactions regarding such products and services; or (iii) issue tickets for the acquisition of such products and services; but shall not include Internal Reservation Services. “Internal Reservation Services” as used herein, means the provision of services associated with the presentation by a vendor of its own travel-related products, services or information, of its own schedules, fares, rules or information provided with respect to the seats or services or products of such vendor which it holds out as available for sale at any time and the reservation, ticketing or sale of such vendor’s own products and services through reservations facilities that are owned or leased and operated by such vendor or its affiliates and/or via such vendor’s internet site.

Currency Compliant means, as to any software, that it operates with any data denominated in the currency of any geographic location where the Services are performed by Provider or received by Customer Group in the same manner as it operates with data denominated in U.S. dollars, without any material performance or functionality degradation

Customer means Sabre GLBL Inc.

Customer Assumption Notice has the meaning set forth in Section 20.4(a) of the Master Agreement.

Customer Auditors has the meaning set forth in Section 14.1(b) of the Master Agreement.

Customer Audits has the meaning set forth in Section 14.2(b)(iv) of the Master Agreement.

Customer Business means the businesses engaged in by Customer Group.

Customer Compliance Directive means instructions as to compliance with any of the Customer Compliance Requirements and changes in the Services or Provider’s policies and procedures relating to such compliance as provided to Provider.

Customer Compliance Requirements has the meaning set forth in Section 7.1(a)(ii) of the Master Agreement.

Customer Consents means all licenses, consents, permits, approvals and authorizations that are necessary to allow Provider to access and (A) use the Customer Equipment, (B) use the services provided for the benefit of Customer under Customer’s third-party services contracts or (C) use the Customer Software, all to the extent necessary for Provider to perform the Services.

Customer Data means: (i) all data and information generated, provided or submitted by, or caused to be generated, provided or submitted by, Customer Group in connection with the Services; (ii) all data and information regarding the business and customers and potential customers of Customer Group collected, received, accessed, generated or submitted by, or caused to be collected, received, accessed, generated or submitted by, Provider and/or Provider Agents; (iii) all data and information regarding Authorized Recipients (or their customers) collected, received, accessed, generated or submitted by, or caused to be collected, received, accessed, generated or submitted by, Provider and/or Provider Agents; (iv) all such data and information Processed or stored, and/or then provided to or for Customer Group, as part of the Services, including data contained in forms, reports and other similar documents provided by Provider as part of the Services; and (v) Personally Identifiable Information.

Customer Direct Damages Cap has the meaning set forth in Section 19.1(d) of the Master Agreement.

Customer Equipment means those machines, equipment, materials and other components necessary to provide the Services that are owned by Customer Group, or as to which Customer Group holds a security interest, as more particularly described on the "Asset Allocation Matrix" Schedule to each Service Agreement.

Customer Export Materials has the meaning set forth in Section 9.6(a)(ii) of the Master Agreement.

Customer Facility(ies) means, individually and collectively, the facilities owned, leased or used by Customer Group from which any Services are provided or performed, as identified in the applicable Service Agreement.

Customer Failure has the meaning set forth in Section 4.8 of the Master Agreement.

Customer Group means individually and collectively: (i) Customer and any existing and future Affiliates of Customer; and (ii) any Acquired Business or Divested Business.

Customer Indemnitees has the meaning set forth in Section 20.1 of the Master Agreement.

Customer Licensed Software means Software developed by Third Parties and licensed to Customer Group and used by Provider to deliver the Services, or used by Customer Group on Provider Assets.

Customer Materials has the meaning set forth in Section 15.2(b) of the Master Agreement.

Customer Owned Software means the Software developed internally by Customer Group and used by Provider to deliver the Services, or used by Customer Group on Provider Assets.

Customer Policies has the meaning set forth in the Section 4.4 of the Master Agreement.

Customer Required Relocation has the meaning set forth in Section 5.1(i)(ii) of the Master Agreement.

Customer Software means the Customer Licensed and Customer Owned Software listed on the "Customer Software" Schedule to each Service Agreement that will be used by Provider in performing and providing Services under the Agreement.

Customer Systems means the computer hardware, software, data networks and systems used or operated by or on behalf of Customer Group for its information technology requirements, not including Provider Equipment or Provider Software.

Customer Technical Alliance Manager has the meaning set forth in Section 12.3 of the Master Agreement.

Data Protection Filings has the meaning set forth in the "Privacy Requirements" Exhibit.

Deliverable means, as further specified in a Service Agreement, results of the Services to be provided by Provider to Customer Group, including output produced in electronic or written form.

Delivery Model Issue has the meaning set forth in the "Market Currency Procedures" Exhibit.

Demand has the meaning set forth in the "Dispute Resolution Procedures" Exhibit.

Derivative Work means a derivative work as defined in Title 17 U.S.C. § 101, as amended.

Direct Damages Cap has the meaning set forth in Section 19.1(e) of the Master Agreement.

Directive means the European Union Directive entitled "Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data", any member state law implementing such Directive, and any equivalent law of any country which has then been determined to provide an adequate level of protection from the European Union Commission and any successor to any of the foregoing.

Disabling Code means code that could have the effect of disabling or otherwise shutting down one or more software programs or systems or hardware or hardware systems.

Disaster Recovery Services has the meaning set forth in the applicable Service Agreement. The Disaster Recovery Services are part of the Services.

Discretionary Customer Audits has the meaning set forth in Section 14.2(d) of the Master Agreement.

Dispute means any dispute, controversy or Claim, including situations or circumstances in which the Parties are required to mutually agree on additions, deletions or changes to terms, conditions or Charges, arising out of, or relating to, the Agreement.

Dispute Period has the meaning set forth in the "Market Currency Procedures" Exhibit.

Dispute Resolution Procedures means the process for resolving Disputes set forth in Section 22.2 of the Master Agreement and the "Dispute Resolution Procedures" Exhibit.

Divested Business has the meaning set forth in Section 4.1(b)(ii) of the Master Agreement.

Divestiture Period has the meaning set forth in Section 4.1(b)(ii) of the Master Agreement

E&O Coverage has the meaning set forth in the "Insurance Requirements" Exhibit.

EEA has the meaning set forth in the "Privacy Requirements" Exhibit.

Effective Date means the date of the execution of the Master Agreement by the Parties thereto as set forth in the first paragraph of the Master Agreement.

Emergency Change has the meaning set forth in the "Change Control Procedures" Exhibit.

Equipment means machines, equipment, materials and other related components used or necessary to provide the Services, and as more particularly described in the applicable Asset Allocation Matrix.

ETO has the meaning set forth in the "Account Governance" Exhibit.

EU Data Directive has the meaning set forth in the "Privacy Requirements" Exhibit.

Event Management Protocol has the meaning set forth in the "Information Security Requirements" Exhibit.

Execution Date means the date of execution of a Service Agreement by the Parties as set forth on the initial page thereof.

Executive Vendor Business Review Committee means the committee comprised of personnel of both Provider and Customer described in the "Account Governance" Exhibit.

Exhibit means an attachment to the Master Agreement as such attachment may be amended from time to time.

Exploit means the right to use, access, load, execute, store, transmit, display, maintain, enhance, modify, make and have made, and copy.

Extension Period has the meaning set forth in Section 3.3 of the Master Agreement.

Facility means individually or collectively, as applicable, a Customer Facility or a Provider Facility.

Facility Relocation has the meaning set forth in Section 5.1(f) of the Master Agreement.

Failure has the meaning set forth in the "Acceptance Test Procedures" Exhibit.

FCPA has the meaning set forth in Section 10.2(q) of the Master Agreement.

Federal Crime Bill means the Violent Crime Control and Law Enforcement Act of 1994, as it may be amended from time to time.

Felony has the meaning set forth in Section 13.2(d) of the Master Agreement.

Financial Audits has the meaning set forth in Section 14.1(c) of the Master Agreement.

Flawed Findings has the meaning set forth in the "Market Currency Procedures" Exhibit.

Focal Point has the meaning set forth in the "Information Security Requirements" Exhibit.

Force Majeure Event means an event(s) meeting both of the following criteria:

A. Caused by any of the following: (x) catastrophic weather conditions or other extraordinary elements of nature or acts of God; (y) acts of war, acts of terrorism, insurrection, riots, civil disorders or rebellion; or (z) quarantines or embargoes; provided, however, that the Parties expressly acknowledge and agree that Force Majeure Events do not include: (i) Provider's inability to obtain hardware, software or services, on its own behalf or on behalf of Customer, or its inability to obtain or retain sufficient qualified personnel, except to the extent such inability to obtain hardware, software or services or retain qualified personnel results directly from the causes outlined in (x) through (z) above, or (ii) any failure to perform caused solely as a result of a Party's lack of funds or financial ability or capacity to carry on business; and

B. The non-performing Party is without fault in causing or failing to prevent the occurrence of such event, and such occurrence could not have been circumvented by reasonable precautions and could not have been prevented or circumvented through the use of commercially reasonable alternative sources, workaround plans or other means (including, with respect to Provider, by Provider meeting its security and disaster recovery obligations described herein).

Notwithstanding the foregoing, a strike, lockout or similar labor dispute by Provider Personnel shall be deemed to be within Provider's reasonable control and not a Force Majeure Event.

Governmental Authority means any nation or government, any federal, state, province, territory, city, town, municipality, county, local or other political subdivision thereof or thereto, any quasi-Governmental Authority, and any court, tribunal, arbitral body, taxation authority, department, commission, board, bureau, agency, instrumentality thereof or thereto or otherwise which exercises executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

Grandfathered Actions has the meaning set forth in Section 15.3(j) of the Master Agreement.

HIPAA means the Administrative Simplification Provisions of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191.45, C.F.R. Part 160, 162, 164, and regulations promulgated thereunder, including the HIPAA Rules, as amended from time to time, including pursuant to the HITECH Act.

HIPAA Rules means the privacy, security and breach notification rules and regulations promulgated under HIPAA, as the same may be amended from time to time.

HITECH Act means the Health Information Technology for Economic and Clinical Health Act (Division A, Title XIII and Division B, Title IV, of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5), and the regulations promulgated in support thereof, as the same subsequently may be amended from time to time, including any interim final regulations promulgated pursuant to the HITECH Act that amend the HIPAA Rules.

HP Commercially Available Software means Software proprietary to Provider (including proprietary tools) which Provider makes readily available to the public and is used to perform the Services in the substantially the same form as the Software offered to the public.

HP Proprietary Tools means any Software development, performance testing, service monitoring and management (including service automation and monitoring and management of storage, backup and security) and asset management tools, technologies or algorithms provided by or made available by Provider and used by Provider in providing the Services which are used on behalf of Customer and other customers of Provider. Performance Work Product is excluded from the definition of HP Proprietary Tools.

HP Separation means any transaction or restructuring associated with the proposed separation of Hewlett-Packard Company into two publicly traded companies, as announced by Hewlett-Packard Company on October 6, 2014, but shall not include any Change of Control of Provider to an unaffiliated third party or parties.

Information Security Requirements has the meaning set forth in the "Information Security Requirements" Exhibit.

Initial Termination Assistance Period has the meaning set forth in Section 18.5(c) of this Master Agreement.

Initial Transformation Plan has the meaning set forth in Section 11.2(a) of this Master Agreement.

Innovation Committee means the committee comprised of personnel of both Provider and Customer described in the "Account Governance" Exhibit.

Innovation Initiatives has the meaning set forth in the "Account Governance" Exhibit.

Intellectual Property Right(s) means any and all intellectual property rights existing from time to time under any Law including patent law, copyright law, semiconductor chip protection law, moral rights law, trade secret law, trademark law (together with all of the goodwill associated therewith), unfair competition law, publicity rights law, or privacy rights law, and any and all other proprietary rights, and any and all applications, renewals, extensions and restorations of any of the foregoing, now or hereafter in force and effect worldwide. For purposes of this definition, rights under patent law shall include rights under any and all United States patent applications and patents (including letters patent and inventor's certificates) anywhere in the world, including any provisionals,

substitutions, extensions, supplementary patent certificates, reissues, renewals, divisions, continuations in part (or in whole), continued prosecution applications, requests for continued examination, and other similar filings or stages thereof provided for under the laws of the United States or another country.

International Agreement has the meaning set forth in Section 2.2(a) of the Master Agreement.

JAMS has the meaning set forth in the "Dispute Resolution Procedures" Exhibit.

Joint Technical Steering Committee means the committee comprised of personnel of both Provider and Customer described in the "Account Governance" Exhibit.

Key Personnel means the Provider Client Executive and, for each Service Agreement, such other Provider personnel critical to the management of the Customer account or the provision of Services to Customer Group, as identified in the "Key Personnel" Schedule to a Service Agreement.

Law means all applicable laws (including those arising under common law), statutes, codes, rules, regulations, reporting or licensing requirements, ordinances and other pronouncement having the effect of law of the United States, any foreign country or any domestic or foreign state, county, city or other political subdivision, including those promulgated, interpreted or enforced by any governmental or regulatory authority, and any order of a court or governmental agency of competent jurisdiction, in effect as of the Effective Date and as they may be amended, changed or modified from time to time. For the avoidance of doubt, Laws include Privacy Laws.

List of Approved Benchmarkers has the meaning set forth in the "Market Currency Procedures" Exhibit.

Local Differences has the meaning set forth in Section 2.2(a) of the Master Agreement.

Losses means all judgments, settlements, awards, damages, fines, losses, charges, liabilities, penalties, interest claims (including taxes and all related interest and penalties incurred with respect thereto), however described or denominated, and all related reasonable costs, expenses and other charges (including all reasonable attorneys' fees and reasonable internal and external costs of investigations, litigation, hearings, proceedings, document and data productions and discovery, settlement, judgment, award, interest and penalties), however described or denominated.

Malware means computer software, code or instructions that: (a) adversely affect the operation, security, availability or integrity of a computing, telecommunications or other digital operating or processing system or environment, including other programs, data, databases, computer libraries and computer and communications equipment, by altering, destroying, disrupting or inhibiting such operation, security, availability or integrity; (b) without functional purpose, self-replicate without manual intervention; (c) purport to perform a useful function but which actually perform either a destructive, harmful or unauthorized function, or perform no useful function and utilize substantial computer, telecommunications or memory resources; or (d) without authorization collect or transmit to third parties any information or data; including such software, code or instructions commonly known as viruses, Trojans, logic bombs, worms and spyware.

Managed Agreements has the meaning set forth in the applicable Service Agreement.

Master Agreement means the Master Services Agreement by and between the Parties dated November 1, 2015, and the attached Exhibits.

Materials means, collectively, Software, literary works, other works of authorship, documented specifications, designs, network diagrams, processes, methodologies, know-how, programs, program listings, programming tools, scripts, tools, documentation, reports, drawings, databases, spreadsheets, machine-readable text and files, run books, financial models and other work product.

Milestones has the meaning set forth in the "Acceptance Test Procedures" Exhibit.

Mingo DC means the Tulsa Data Center Facility (Tulsa Computer Center and Secure Computer Center) located at [* * *].

Model Clauses has the meaning set forth in the "Privacy Requirements" Exhibit.

New Service means an additional function, responsibility or task other than the Services that requires resources for which there is no current Resource Unit or charging methodology (i.e., such function, responsibility or task is not included in the Charges or is not charged separately under another methodology other than as a New Service).

No Bid has the meaning set forth in Section 4.2(a) of the Master Agreement.

NOS has the meaning set forth in the "Information Security Requirements" Exhibit.

Notice means a prior written notice, request, response, demand, claim, or other communication required or permitted under the Agreement and complying with Section 23.7 of the Master Agreement. Notify has the correlative meaning.

Notification Related Costs has the meaning set forth in Section 17.2(g) of the Master Agreement.

Objection Period has the meaning set forth in the "Market Currency Procedures" Exhibit.

Offshore Plan has the meaning set forth in Section 5.1(c) of the Master Agreement.

Open Source Software means software that: (a) requires a licensor to cause source code to be distributed with the software or made available to any Third Party when the software is distributed or otherwise provided in any fashion to a Third Party; (b) restricts or impairs in any way Customer Group's ability to license the software pursuant to terms of Customer Group's choosing; (c) impacts in any fashion or limits Customer Group's ability to enforce its patent or other Intellectual Property Rights against any Third Party in any manner; or (d) might result in Customer Group's rights to such software being terminated or affected in any manner if Customer Group asserts any of its Intellectual Property Rights against any Third Party in connection with such software or otherwise. Without limitation of the foregoing, Open Source Software shall include software subject to any version of the General Public License or the Lesser General Public License, or any license which has been certified as an "open source" license by the Open Source Initiative.

Operational Audits has the meaning set forth in Section 14.1(b) of the Master Agreement.

Operational Change Control Procedures has the meaning set forth in Section 13.6(a) of the Master Agreement.

Operations Service Delivery Committee means the committee comprised of personnel of both Provider and Customer described in the "Account Governance" Exhibit.

Original Agreement means that certain Amended and Restated Information Technology Services Agreement entered into by the Parties and EDS Information Services, LLC as of September 30, 2007.

P&T has the meaning set forth in the "Account Governance" Exhibit.

Panel has the meaning set forth in the "Dispute Resolution Procedures" Exhibit.

Party or Parties means Customer and Provider, as parties to the Master Agreement.

Pass Through Charges has the meaning set forth in the "Charges" Schedule to each Service Agreement.

PCI DSS means the Payment Card Industry Data Security Standard, version 3.0, as the same may be succeeded, modified or amended from time to time.

PCI has the meaning set forth in the "Information Security Requirements" Exhibit.

Performance Reports has the meaning set forth in Section 4.3(d) of the Master Agreement.

Performance Work Product means any Work Product that is not a Deliverable, to the extent that it relates to the performance of IT services generally (i.e., services similar to the Services) on behalf of customers, including the Customer Group, and not specifically to performance of Services for Customer Group. For the avoidance of doubt, "Performance Work Product" (A) does not include Customer Materials or Customer Group's Company Information, and (B) can be used by Provider to provide services to its other customers.

Permitted Auditors has the meaning set forth in Section 14.2(f) of the Master Agreement.

Permitted Client Executive Reassignment Exceptions has the meaning set forth in Section 12.2(b) of the Master Agreement.

Person means an individual, corporation, limited liability company, partnership, trust, association, joint venture, unincorporated organization or entity of any kind or nature, or a Governmental Authority.

Personally Identifiable Information shall mean all data and information relating to Customer Group's customers (including their customers), employees or personnel provided to Provider or Provider Agents by or on behalf of Customer Group or otherwise collected or obtained by Provider or Provider

Agents in connection with the Services, that consists of information or data naming or identifying a natural Person, including: (a) personally identifying information that is explicitly defined as a regulated category of data under any data privacy or data protection laws applicable to Customer Group; (b) non-public information, such as a national identification number, passport number, social security number, or driver's license number; (c) health or medical information, such as insurance information, medical prognosis, diagnosis information or genetic information; (d) financial information, such as a policy number, credit card number or bank account number; (e) contact information, such as address, email address, user account number or login or authorization credentials of any type, or passwords (whether or not associated with a particular account or means of access), and (f) sensitive personal data, such as mother's maiden name, race, religion, marital status, gender or sexuality. Without limiting the foregoing, Personally Identifiable Information includes "nonpublic personal information," "personally identifiable information," Protected Health Information, "cardholder data," "sensitive authentication data," and other variations of those terms, as defined under any applicable Law or industry standard and includes any information or persistent identifier that may be used to track, locate or identify Customer Group or any of Customer Group's customers (including their customers), employees, representatives or agents.

Physical Security means physical security at any Facility housing systems maintained by Provider or Provider Agents in connection with the Services and in the course of physical transportation of assets used by Provider in performing the Services and physical media including Customer Group's Company Information. Physical Security includes the specific physical security control measures required pursuant to the "Information Security Requirements" Exhibit.

Prior Agreement has the meaning set forth in Section 2.4 of the Master Agreement.

Prior Project Plans has the meaning set forth in Section 2.4 of the Master Agreement.

Privacy Laws means (i) all applicable international, federal, state, provincial and local laws, rules, regulations, directives and governmental requirements currently in effect and as they become effective relating in any way to the privacy, confidentiality or security of Personally Identifiable Information, including the Canadian Personal Information Protection and Electronic Documents Act (PIPEDA); the Controlling the Assault of Non-Solicited Pornography and Marketing Act (CAN-SPAM); the FTC Disposal of Consumer Report Information and Records Rule, 16 C.F.R. § 682 (2005); the Federal "Privacy of Consumer Financial Information" Regulation (12 CFR Part 30) issued pursuant to Section 504 of the Gramm-Leach-Bliley Act of 1999 (15 U.S.C. §6801, et seq.); HIPAA and the HITECH Act, and all other similar international, federal, state, provincial, and local requirements, (ii) all applicable industry standards concerning privacy, data protection, confidentiality or information security currently in effect and as they become effective, including the Payment Card Industry Data Security Standard, and any other similar standards, and (iii) applicable provisions of all Customer Group privacy policies, statements or notices that are provided or otherwise made available to Provider. For the avoidance of doubt, Privacy Laws are applicable with respect to any receipt of, access to, storing or Processing of Personally Identifiable Information, whether intentionally or unintentionally.

Privacy Requirements has the meaning set forth in the "Privacy Requirements" Exhibit.

Procedures Manuals has the meaning set forth in Section 4.7 of the Master Agreement.

Process, or Processing means any operation or set of operations which is performed upon Customer Data, whether or not by automatic means, such as viewing, hosting, generating, accessing, printing, backing up, collection, recording, organization, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, blocking, erasure, disposal or destruction.

[* * *]

Project means, unless otherwise defined in the applicable "Charges" Schedule, any discrete unit of work with a time frame, resource budget, and Deliverables that (1) is in support of, or related to, the Services and (2) is requested or approved by Customer. Projects do not include: (i) work performed by Provider to provide the Services prior to the initiation of a Project or (ii) work required by Provider to meet the Service Levels.

Project Plan means the statement of work, set of activities and timeframes needed to complete a Project.

Protected Health Information shall have the meaning set forth in 45 CFR Part 160.103, as amended or modified from time to time.

Provider means HP Enterprise Services, LLC.

Provider Agent means the agents, subcontractors and representatives of Provider, at any tier, and includes Affiliates of Provider to which Provider subcontracts any of the Services under the Agreement.

Provider Audits has the meaning set forth in Section 14.1(e)(i) of the Master Agreement.

Provider Client Executive has the meaning set forth in Section 12.2(a) of the Master Agreement.

Provider Consents means all licenses, consents, permits, approvals and authorizations that are necessary to allow (A) Provider (and Customer as applicable) to use the Provider Software and any Provider Equipment, (B) Provider to (1) use any third-party services retained by Provider to provide the Services during the Term, (2) grant the licenses contemplated by Section 15 (Technology; Intellectual Property Rights) and (3) assign to Customer the Work Product as contemplated by Section 15 (Technology; Intellectual Property Rights) and (C) Customer Group to use the Provider Licensed Software after the expiration or termination of this Agreement, a Service Agreement or any Service.

Provider Direct Damages Cap has the meaning set forth in Section 19.1(b) of the Master Agreement.

Provider Equipment means all equipment owned or leased by Provider that is directly used to provide the Services.

Provider Facility(ies) means, individually and collectively, the facilities owned, leased or used by Provider or Provider Agents from which any Services are provided or performed (other than Customer Facilities).

Provider Group has the meaning set forth in Section 10.2(q) of the Master Agreement.

Provider Indemnitees has the meaning set forth in Section 20.2 of the Master Agreement.

Provider Information System means the hardware, software, data network(s) and systems provided or used (whether owned, under contract or licensed) by Provider to perform and provide the Services (including, without limitation, the Provider Equipment) that Provider uses to perform or provide the Services, not including the Customer Systems.

Provider Licensed Software means Provider Software owned by Third Parties and licensed to Provider.

Provider Materials has the meaning set forth in Section 15.3(b) of the Master Agreement.

Provider Owned Software means Provider Software owned by Provider and used by Provider to deliver the Services.

Provider Personnel means the employees of Provider and Provider Agents who perform any Services under the Agreement or a Service Agreement. Provider Personnel shall include those employees of Customer Group that are offered and accept employment with Provider in connection with the execution of a Service Agreement, if applicable.

Provider Records has the meaning set forth in Section 14.1(a) of the Master Agreement.

Provider Software means the Software used by Provider or Provider Agents in providing the Services that is: (i) owned by Provider before the Effective Date or acquired by Provider after the Effective Date, (ii) developed by Provider other than pursuant to this Agreement or any other agreement with Customer; or (iii) developed by Third Parties and licensed to Provider. Provider Software includes Software licensed by Provider pursuant to Provider Third Party Agreements.

Provider Third Party Agreements has the meaning set forth on the "Third Party Agreements" Schedule.

Qualified has the meaning set forth in the "Dispute Resolution Procedures" Exhibit.

Regulatory Audits has the meaning set forth in Section 14.1(d)(i) of the Master Agreement.

Remediation Plan has the meaning set forth in Section 14.2(c) of the Master Agreement.

Renewal Proposal has the meaning set forth in the applicable Service Agreement.

Reports has the meaning set forth in Section 4.6 of the Master Agreement.

Required Consents means the Customer Consents and the Provider Consents, collectively.

Residuals has the meaning set forth in Section 16.3 of the Master Agreement.

Resource Unit has the meaning set forth in the "Charges" Schedule.

Responsibilities has the meaning set forth in Section 4.8 of the Master Agreement.

Restated Project Plans has the meaning set forth in Section 2.4 of the Master Agreement.

Reviewer has the meaning set forth in the "Market Currency Procedures" Exhibit.

Revised Change Proposal has the meaning set forth in the "Change Control Procedures" Exhibit.

RFP means a request for proposal or any other competitive solicitation of bids for the provision of services to the relevant Person.

Safe Harbor or Safe Harbor Framework has the meaning set forth in the "Privacy Requirements" Exhibit.

Safe Harbor Certification has the meaning set forth in the "Privacy Requirements" Exhibit.

Safe Harbor Principles has the meaning set forth in the "Privacy Requirements" Exhibit.

Schedule means an attachment to a Service Agreement, as such attachment may be amended from time to time.

Second Cap Damages has the meaning set forth in Section 19.1(c) of the Master Agreement.

Second Cap has the meaning set forth in Section 19.1(c) of the Master Agreement.

Security Breach means: (A) any circumstance pursuant to which applicable Law or any Customer Group privacy or security policy or statement provided to Provider requires notification of such breach to be given to affected parties or other activity in response to such circumstance; or (B) any actual, attempted, suspected, threatened, or reasonably foreseeable circumstance that compromises, or could reasonably be expected to compromise, either Physical Security or Systems Security in a fashion that either does or could reasonably be expected to permit unauthorized Processing, use, disclosure or acquisition of or access to any Customer Data, Customer Software, Work Product or any Company Information obtained, generated, developed, maintained, processed or transmitted by Provider or Provider Agents in connection with the Services.

Security Committee means the committee comprised of personnel of both Provider and Customer described in the "Account Governance" Exhibit.

Security Requirements has the meaning set forth in Section 17.2(a) of the Master Agreement.

Select Mainframe Services has the meaning set forth in the "Market Currency Procedures" Exhibit.

Service Agreement Execution Date has the meaning set forth in the applicable Service Agreement.

Service Agreement has the meaning set forth in Section 2.1(b) of the Master Agreement.

Service Agreement Term has the meaning set forth in Section 3.2 of the Master Agreement.

Service Infrastructure has the meaning set forth in the "Information Security Requirements" Exhibit.

Service Level Agreement(s) means the schedule to each Service Agreement specifying the service level methodology and the Service Levels applicable to the Services described in each such Service Agreement, remedies for Provider's failure to comply with such Service Levels, including applicable Service Level Credits, procedures for modifying and improving Service Levels and related provisions.

Service Level Credits has the meaning set forth in the "Service Level Agreement" Schedule to each Service Agreement.

Service Level Termination Event has the meaning set forth in the "Service Level Agreement" Schedule to each Service Agreement.

Service Levels has the meaning set forth in the "Service Level Agreement" Schedule to each Service Agreement. Each "Service Level Agreement" Schedule shall be promptly updated and modified from time to time by the Parties to reflect changes to the Service Levels related to the associated Service Agreement.

Service Location means the locations of Customer Group to which Provider provides the Services, as may be amended by Customer from time to time during the Service Agreement Term.

Service Relocation has the meaning set forth in Section 5.1(g) of the Master Agreement.

Service Request or service request (lowercase) means requests for Services submitted in writing by Customer to Provider.

Service Tower means has the meaning set forth in the applicable Service Agreement.

Services means the ongoing administration, management, operation, support, provision and performance of services as those services are described and defined in the Agreement, including each Service Agreement and the Schedules thereto and as those services may evolve and be supplemented and enhanced during the Term in accordance with the Agreement.

Shared Systems has the meaning set forth in the "Technology Governance" Schedule.

Software or software means any computer programming code consisting of instructions or statements in a form readable by individuals (source code) or machines (object code), and related documentation and supporting materials therefore, in any form or medium, including electronic media.

SOX Compliance Period means during the Term and continuing thereafter until the later of the (i) completion of the audit of Customer's financial statements; and (ii) completion and filing with the SEC of Customer's annual report on a Form 10-K (or any successor form), for the members of Customer Group required to file such Form, in each case for the fiscal year during which this Agreement expires or terminates.

SOX means the Sarbanes-Oxley Act of 2002, as amended, and the rules and regulations promulgated thereunder, including Section 404 of SOX and the rules and regulations promulgated thereunder.

Specified Customer Group Competitor means [* * *], or any corporate successor or combination of any the foregoing, as such list is updated by Customer from time to time.

Specified Provider Competitor means as of the Effective Date, the following entities: [* * *] and their respective affiliates, or any corporate successor or combination of any of the foregoing. Provider may propose additions to the list of Specified Provider Competitors during the Term, subject to Customer's approval, which shall not be unreasonably withheld.

Stranded Asset Amount has the meaning set forth in the "Market Currency Procedures" Exhibit.

Successor Provider means an entity that provides services to Customer Group similar to the Services following the termination or expiration of the Agreement, a Service Agreement, or any Service for any reason, however described (including as described in Section 13.1(a) or Section 18 of this Master Agreement).

SVP has the meaning set forth in the "Account Governance" Exhibit.

Systems Security means security control measures of computer, electronic or telecommunications systems of any variety (including data bases, hardware, software, storage, switching and interconnection devices and mechanisms), and networks of which such systems are a part or communicate with, used directly or indirectly by Provider or Provider Agents in connection with the Services. Systems Security includes the specific systems security control measures required pursuant to the "Information Security Requirements" Exhibit.

Tax or Taxes means foreign, federal, state and local sales, use, gross receipts, excise, telecommunications, value added, goods and services, provincial sales, other similar types of transfer taxes, duties, fees or charges (including any related penalties, additions to tax, and interest), however designated or imposed, which are in the nature of a transaction tax, duty, fee or charge, but not including any taxes, duties, fees or charges imposed on or measured by net or gross income (other than any such taxes which are in the nature of transaction taxes of the type listed above), capital stock or net worth or in the nature of an income, capital, franchise, or net worth tax. "Taxes" specifically excludes Withholding Taxes.

Term has the meaning set forth in Section 3.1 of the Master Agreement, and includes any Termination Assistance Period.

Termination Assistance Period Extension has the meaning set forth in Section 18.5(c) of this Master Agreement.

Termination Assistance Period has the meaning set forth in Section 18.5(c) of this Master Agreement.

Termination Assistance Services means the functions, responsibilities, activities, tasks and projects Provider is requested by Customer to perform in anticipation of and in connection with the termination or expiration of the Agreement, a Service Agreement, or any Service for any reason, however described (including as described in Section 13.1(a) or Section 18 of this Master Agreement), in order to achieve an orderly transfer without interruption of Services from Provider to Customer or to Customer's designee in accordance with Section 18.5 of the Master Agreement and the "Termination Assistance Services" Schedule to each Service Agreement. The Termination Assistance Services constitute Services.

Third Party Agreements means those agreements for which Provider has undertaken financial, management, operational, use, access or administrative responsibility or benefit in connection with the provision of the Services, and pursuant to which Customer Group has contracted with a Third Party Provider to obtain any Third Party products, software or services that will be used, accessed or managed in connection with the Services. Third Party Agreements are listed on the "Third Party Agreements" Schedule to each Service Agreement for such Service Agreement, which schedule shall be promptly updated and modified from time to time by the Parties to reflect the then-current Third Party Agreements.

Third Party means a business or entity other than Customer Group or the Provider or its Affiliates.

Third Party Provider means a business or entity other than Customer Group or Provider or its Affiliates that provides products, software or services under a Third Party Agreement.

Third Party Software means Software licensed from or provided by a Third Party.

Tower Service Delivery Committee for each Service Tower means the committee comprised of personnel of both Provider and Customer described in the "Account Governance" Exhibit.

Trade Secrets means with respect to a Party or designated group including such Party, information related to the services and business of the disclosing Party, of such group or of a Third Party which: (a) derives economic value, actual or potential, from not being generally known to or readily ascertainable by other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts by the disclosing Party or such group that are reasonable under the circumstances to maintain its secrecy, including: (i) marking any information clearly and conspicuously with a legend identifying its confidential or proprietary nature; (ii) identifying any oral presentation or communication as confidential immediately before, during or after such oral presentation or communication; or (iii) otherwise, treating such information as confidential or secret. Assuming the criteria in Sections (a) and (b) above are met, Trade Secrets include, but are not limited to, technical and nontechnical data, formulas, patterns, compilations, computer programs and software, devices, drawings, processes, methods, techniques, designs, programs, financial plans, product plans, and lists of actual or potential customers and suppliers.

Transformation means the implementation of changes in the manner in which Services are performed or delivered, as described in the "Transformation" Schedule and applicable Transformation Plans.

Transformation Plan means the Initial Transformation Plan, together with any subsequent detailed plans prepared pursuant to the "Transformation" Schedule.

Transformation Services means the tasks described in the "Transformation" Schedule.

Transition and Transformation Committee means the committee comprised of personnel of both Provider and Customer described in the "Account Governance" Exhibit.

Transition means the transition or implementation of resources and operational responsibilities for performance of the Services to Provider.

Transition Plan has the meaning set forth in Section 11.1(a) of the Master Agreement.

Transition Services means the tasks described in the "Transition" Schedule.

Tulsa Data Centers means the CDC and the Mingo DC.

Vendor Service Steering Committee means the committee comprised of personnel of both Provider and Customer described in the "Account Governance" Exhibit.

Warranty Period has the meaning set forth in Section 10.2(u) of the Master Agreement.

Winddown Expense means the amount, if any, that constitutes the following (in each case, except to the extent limited by, or further specified in, the "Charges" Schedule to each Service Agreement), to the extent actually incurred by Provider as a result of the relevant termination: [* * *].

Withholding Taxes means foreign, federal, and state and local taxes, fees, or charges which are imposed on or by reference to gross or net income or gross or net receipts and are required under applicable law to be withheld by the Customer from payments made to Provider under this Agreement (including any related penalties and interest thereon).

Work Order means a document that sets forth the terms and conditions of a Project in accordance with the applicable "Charges" Schedule.

Work Product means all results of the Services created or developed by Provider, by itself or jointly with Customer Group or others (including the Deliverables and Performance Work Product). For the avoidance of doubt, "Work Product" does not include any changes, improvements, additions or upgrades made by Provider to any element of Provider Information Systems used internally by Provider to provide the Services (so long as such changes, improvements, additions or upgrades do not contain any Customer Materials or Customer Group's Company Information).

EXHIBIT 2

FORM OF SERVICE AGREEMENT

This is Exhibit 2, FORM OF SERVICE AGREEMENT, to that certain Master Services Agreement , dated as of November 1, 2015 (the "***Master Agreement***"), between Sabre GLBL Inc. ("***Customer***") and HP Enterprise Services, LLC ("***Provider***").

Service Agreement # X FOR _____ SERVICES

1. INTRODUCTION

This Service Agreement No. _ (this ***"Service Agreement"***) is effective as of _____ (the ***"Execution Date"***), and is made by Sabre GLBL Inc. (***"Customer"***) and HP Enterprise Services, LLC (***"Provider"***). This Service Agreement and its Schedules (and the Schedules' Attachments and Appendices) are incorporated into that certain Master Services Agreement dated November 1, 2015 between Customer and Provider (***"Master Agreement"***).

Any terms and conditions that deviate from or are in conflict with the Master Agreement are set forth in Schedule N (Deviations from the Master Agreement). In the event of a conflict between the provisions of this Service Agreement and the Master Agreement, the provisions of Section 2.3 of the Master Agreement shall control such conflict.

2. DEFINITIONS

Unless otherwise defined herein, capitalized terms herein will have the meaning set forth in the Master Agreement (including the Exhibits thereto) or in Schedule A (Definitions) to this Service Agreement.

3. SERVICES GENERALLY

3.1 Services

Provider will provide the Services to Customer Group in accordance with the Master Agreement (including the Exhibits thereto) and this Service Agreement (including the Schedules (and the Schedules' Attachments and Appendices) hereto). The Services and the Responsibilities of the Parties with respect to the Services are described in Schedule B (Service Descriptions). The scope and composition of the Services, and Provider's performance of the Services, are further described in and subject to the terms of the Master Agreement, this Service Agreement, and the Schedules (and the Schedules' Attachments and Appendices) identified in the table (the "Table of Schedules") at the end of this Exhibit. Provider shall develop a Procedures Manual that documents the operational policies and procedures applicable to the Services in accordance with Schedule P (Procedures Manual Requirements) and Section 4.7 of the Master Agreement.

3.2 Service Levels

Schedule D (Service Level Agreement) to this Service Agreement sets forth the Service Levels that are applicable to the Services, as well as Service Level Credits to be provided to Customer from Provider in the event of certain Service Level failures.

3.3 Charges

Schedule C (Charges) to this Service Agreement defines and sets forth the applicable Charges, [* * *].

3.4 Facilities

The Services will be performed at the Provider Facilities listed in Schedule T (Provider Facilities).

3.5 Software; Third Party Agreements; Assets

The Software that is required for Provider's performance of the Services is described in Schedule G (Customer Software) and Schedule H (Provider Software). Provider's responsibility for managing any Customer Software or other Third Party Agreements is described in Schedule J (Third Party Agreements). Schedule I (Asset Allocation Matrix) defines the Parties' respective responsibilities for the operation and management of the Software, Equipment and other Assets supported by, or necessary to provide, the Services.

3.6 Reports

Provider will provide the Reports listed in Schedule K (Reports).

3.7 Deliverables

All Deliverables to be provided as part of the Services under this Service Agreement shall comply with the requirements in Section 15.5 of the Master Agreement.

4. TERM/SURVIVAL/RENEWAL/TERMINATION

4.1 Term and Commencement Date

The term of this Service Agreement (***"Service Agreement Term"***) shall begin on the Execution Date and shall continue until _____ (the ***"Service Agreement Expiration Date"***).

4.2 Survival

Upon the expiration or earlier termination of this Service Agreement, the following Sections of this Service Agreement shall survive any such expiration or termination in accordance with their terms: _____.

4.3 Renewal

At least 12 months prior to the Service Agreement Expiration Date of this Service Agreement or any agreed upon extension thereof, Provider will deliver to Customer a proposal for the extension of the Service Agreement Term (the ***"Renewal Proposal"***). The Renewal Proposal will provide Customer with sufficient detail to allow Customer to make an informed decision as to whether to extend the Service Agreement Term. Customer will provide Provider, at least six months prior to the Service Agreement Expiration Date, Notice as to whether Customer desires to extend the Service Agreement Term. If Customer indicates in such Notice that it does not desire to extend the Service Agreement Term, the Service Agreement will expire on the Service Agreement Expiration Date. If Customer indicates in such Notice that it desires to extend the Service Agreement Term, the Parties will negotiate in good faith the terms and conditions applicable to, and the duration of, such extension. If the Parties are not able to agree upon the applicable terms and conditions with respect to such extension by 60 days prior to the Service Agreement Expiration Date, then Customer may extend the Service Agreement Term in accordance with the provisions of Section 3.3 of the Master Agreement.

4.4 Termination

This Service may be terminated by the Parties in accordance with Section 18 of the Master Agreement and as otherwise provided in this Service Agreement. In the event of any termination or expiration of this Service Agreement, Provider will provide the Termination Assistance Services described in Section 18 of the Master Agreement and in Schedule O (Termination Assistance Services).

5. TRANSITION/TRANSFORMATION/GOVERNANCE

5.1 Transition

Schedule F (Transition and Transformation) includes the Transition Services, the Critical Transition Milestones and the initial Transition Plan. Schedule S (Projects) describes any in-flight Projects and the process for migrating such Projects to Provider.

5.2 Transformation

The transformational activities to be performed by Provider as part of the Services are described in Schedule F (Transition and Transformation).

5.3 Governance

The performance of the Services will be governed in accordance with Exhibit 3 (Account Governance) and Schedule R (Technology Governance).

6. RELATIONSHIP PROTOCOLS

6.1 Key Personnel

The Provider employees serving as Key Personnel are set forth in Schedule E (Key Personnel).

6.2 Approved Provider Agents

Those Provider Agents approved by Customer (if any) are listed on Schedule L (Approved Provider Agents). Schedule L includes the Services provided by the Provider Agent, as well as any restrictions or limitations on Provider's ability to transfer or assign the Provider Agent agreement to Customer, including any fees associated therewith.

7 INFORMATION SECURITY AND SERVICES CONTINUITY

7.1 Disaster Recovery (DR); Business Continuity (BC)

The DR/BC plan and related requirements are set forth in Schedule M (Disaster Recovery and Business Continuity Requirements).

7.2 Information Security

Provider will comply with the Security Requirements in Schedule W (Customer Security Requirements) that sets forth the additional Security Requirements applicable to this Service Agreement.

Table of Schedules

[NOTE: IF ANY SCHEDULES ARE NOT APPLICABLE TO THIS SERVICE AGREEMENT, THEY SHOULD BE MARKED "INTENTIONALLY OMITTED" IN THIS TABLE]

Schedule	Schedule Title	Intentionally Omitted as N/A
A	Definitions	
B	Service Descriptions	
C	Charges	
D	Service Level Agreement	
E	Key Personnel	
F	Transition and Transformation	
G	Customer Software	
H	Provider Software	
I	Asset Allocation Matrix	
J	Third Party Agreements	
K	Reports	
L	Approved Provider Agents	
M	Disaster Recovery and Business Continuity Requirements	
N	Deviations from the Master Agreement	
O	Termination Assistance Services	
P	Procedures Manual Requirements	
Q	International Agreements	
R	Technology Governance	
S	Projects	
T	Provider Facilities	
U	[RESERVED]	
V	Standards	
W	Customer Service Requirements	

THE PARTIES ACKNOWLEDGE THAT THEY HAVE READ THIS SERVICE AGREEMENT, UNDERSTAND IT, AND AGREE TO BE BOUND BY ITS TERMS AND CONDITIONS. FURTHER, THE PARTIES AGREE THAT THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN THE PARTIES RELATING TO THIS SUBJECT SHALL CONSIST OF 1) THIS SERVICE AGREEMENT, 2) ITS SCHEDULES, AND 3) THE MASTER AGREEMENT (INCLUDING THE EXHIBITS THERETO), INCLUDING THOSE AMENDMENTS MADE EFFECTIVE BY THE PARTIES IN THE FUTURE. THIS STATEMENT OF THE AGREEMENT BETWEEN THE PARTIES SUPERSEDES ALL PROPOSALS OR OTHER PRIOR AGREEMENTS, ORAL OR WRITTEN, AND ALL OTHER COMMUNICATIONS BETWEEN THE PARTIES RELATING TO THE SUBJECT DESCRIBED HEREIN.

Accepted by:	Accepted by
Customer	Provider
By: _____	By: _____
Authorized Signature	Authorized Signature
_____	_____
Name (Type or Print) Date	Name (Type or Print) Date

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED FOR PORTIONS OF THIS EXHIBIT. THE COPY FILED HEREWITH OMITS THE INFORMATION SUBJECT TO A CONFIDENTIALITY REQUEST. OMISSIONS ARE DESIGNATED [* * *]. A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

EXHIBIT 3

ACCOUNT GOVERNANCE

This is EXHIBIT 3, ACCOUNT GOVERNANCE, to that certain Master Services Agreement, dated as of November 1, 2015 (the "***Master Agreement***"), between Sabre GLBL Inc. ("***Customer***") and HP Enterprise Services, LLC ("***Provider***").

1. INTRODUCTION

In accordance with Article 12 of the Master Agreement, Customer and Provider will institute and utilize the following governance framework to manage and effect account governance and technology governance for effective and efficient collaboration between Customer and Provider ("Account Governance").

2. DEFINITIONS

Capitalized terms used in this Exhibit but not defined herein shall have the meaning ascribed to such terms in the Master Agreement and its Exhibits, including the "Definitions" Exhibit to the Master Agreement. Unless otherwise specified, references to "Section" refer to the applicable Section of this Exhibit.

As set forth in Section 2.3 of the Master Agreement, in the event of a conflict between the terms of this Exhibit and the terms of the Master Agreement, the terms of the Master Agreement shall prevail over the terms of this Exhibit.

3. GOVERNANCE PRINCIPLES

3.1. Governance Principles

(a) Account Governance set forth in this Exhibit is designed to oversee the delivery of Services by Provider to Customer in accordance with the Master Agreement.

(b) Both Customer and Provider shall ensure that all Provider and Customer representatives participating in Account Governance are empowered and authorized to execute the roles they assume.

(c) The effectiveness of Account Governance will be evaluated by the Parties from time to time (at least annually), and modified as necessary to meet Customer's business requirements.

(d) Provider shall record and distribute minutes of all meetings held under Account Governance, no later than two Business Days after each meeting, for Customer's approval.

(e) Provider shall be responsible for supporting the development and implementation of Account Governance by (i) using industry leading practices and (ii) leveraging its expertise, templates, tools and personnel resources.

3.2. Relationship

(a) Conduct of the Parties.

It is intended that the conduct of the Parties in the implementation of Account Governance shall:

(i) Reflect commitment at executive levels in both Parties to foster an enduring, mutually beneficial commercial relationship that enables and empowers effective decision making;

(ii) Support a relationship between Customer and Provider that is characterized by trust and openness;

(iii) Support and engender effective Service Levels and continuous improvement;

(iv) Create a close working relationship at the relevant management levels that stimulates cooperation, collaboration, information sharing and trust;

(v) Support a joint continuous improvement culture within both Parties in relation to the Services.

(b) Participation.

The Parties shall participate in good faith in Account Governance in order to aid in meeting Customer's goals for the relationship as follows:

(i) Flexibility. The Parties understand that the Services may need to be modified to meet Customer's changing business environment and operating requirements.

(ii) Transparency. Governance activities described in this Exhibit are intended to provide a transparent framework and process so that Customer and Provider can effectively execute.

(iii) Traceability. Financials will be clear and allow Customer to identify the baseline and reasons for any deviations over time.

(iv) Effective Management. Governance activities described in this Exhibit will strengthen Customer's and Provider's ability to track and control Services delivered.

(c) Executive Engagement.

Provider will make available several opportunities for Customer to participate in organizations and events that allows Customer to provide input to Provider's business direction and receive information from Provider on matters that affect Customer from a technology and services perspective.

(i) HP Enterprise Services Client Advisory Board ("CAB"). The HP Enterprise Services CAB is a select group of global Chief Information Officers ("CIOs"), crossing industries and regions, whose thoughts and perspectives on the information technology services market are helping strengthen and shape the future of the industry. The mission of this exclusive executive forum and ongoing program is to advise Provider on strategies and plans for its Enterprise Services business. It provides Provider an opportunity to listen to and better understand client needs and expectations, and strengthens collaboration. Provider will invite the Customer Head of Product and Technology to participate in the CAB. Customer's Head of Product and Technology, or equivalent position, will agree to participate for a two-year timeframe and attend at least one in-person meeting each year.

(ii) CIO Summit. HP CIO Summit is an exclusive, invitation-only gathering of CIOs. This event is designed to bring together leading CIOs in the industry to share best practices, plans and ideas. Each year, Provider will extend an invitation to Customer's Head of Product and Technology, or equivalent position, to attend the HP CIO Summit, and Customer's Head of Product and Technology will use reasonable efforts to attend the Summit.

(iii) HP Discover. HP Discover presents the absolute latest technologies, solutions, case studies, trends and strategies that will inform key investment decisions Provider is making now and in the future. Each year, Provider will extend an offer to Customer's Head of Product and Technology and other appropriate Customer leaders to attend HP Discover.

4. GOVERNANCE COMMITTEES

4.1. Executive Vendor Business Review Committee

(a) Formation

An Executive Vendor Business Review Committee shall be formed and shall have convened for the first time no later than Ninety (90) days following the Effective Date.

(b) Chair

The Executive Vendor Business Review Committee shall be chaired by the Customer Head of Product and Technology ("P&T"); provided that the Customer Chief Procurement Officer ("CPO") shall chair the Executive Vendor Business Review Committee in the event of the Customer Head of P&T's absence.

(c) Members

The Executive Vendor Business Review Committee shall be comprised of the following members:

(i) Customer Head of P&T;

(ii) Customer Senior Vice President ("SVP") of Executive Technology Operation ("ETO");

(iii) Customer CPO;

(iv) Customer Technical Alliance Manager

(v) Additional Customer representatives as necessary;

(vi) Provider Executive Sponsor;

(vii) Provider Operations Executive;

(viii) Provider Industry Executive;

(ix) Provider Contract and Commercial Executive;

(x) Provider Client Executive; and

(xi) Additional Provider representatives as necessary.

(d) Key Objectives

The purpose of the Executive Vendor Business Review Committee is to ensure senior management sponsorship both from Customer and Provider and to jointly work towards strategic development of the relationship. This forum will be used to identify problems and explore future relationship development opportunities. Objectives include:

(i) provide overview of Provider performance to executive leadership;

(ii) discuss overall relationship, development agenda and strategic improvement initiatives;

(iii) monitor current Service Levels and costs;

(iv) review of industry and technology trends and how Customer and Provider can respond to these trends; and

(v) review of Customer business priorities and plans.

(e) Materials

Customer shall prepare and distribute the agenda for the Executive Vendor Business Review Committee at least two (2) business days prior to each meeting and will cooperate with Provider in making updates if necessary. The Parties shall prepare and distribute any materials necessary for the Executive Vendor Business Review Committee to discharge its responsibilities. Responsibility for producing the materials will be determined by the Parties based on availability of and access to the information required to produce the materials. This includes, but is not limited to:

(i) an executive scorecard incorporating the following measures:

(1) quality of Services (e.g., Service Level performance);

(2) Customer satisfaction;

(3) high level status and execution of the Transition and Transformation;

(4) status of other material projects;

(5) financial performance and trend data;

(6) relationship indicators; and

(7) other pertinent scorecard information as needed.

(ii) issues open for resolution;

(iii) data on industry trends; and

(iv) development agenda and strategic improvement initiatives.

(f) Meeting Frequency

The Executive Vendor Business Review Committee shall meet quarterly and at other times as agreed between the Parties.

4.2. Vendor Service Steering Committee

(a) Formation

A Vendor Service Steering Committee shall be formed and shall have convened for the first time no later than Ninety (90) days following the Effective Date.

(b) Chair

The Vendor Service Steering Committee shall be chaired by the Customer Technical Alliance Manager.

(c) Members

The Vendor Service Steering Committee shall be comprised of the following members:

(i) Customer SVP of ETO;

(ii) Customer Technical Alliance Manager;

(iii) Customer Service Management Operations Manager;

(iv) Additional Customer representatives as necessary;

(v) Provider Technology Operation Executive;

(vi) Provider Client Executive;

(vii) Provider Client Service Delivery Executive; and

(viii) Additional Provider representatives as necessary.

(d) Key Objectives

The purpose of this Vendor Service Steering Committee is to monitor the overall progress and the performance of the Agreement and the relationship between Customer and Provider and address any issues escalated by other committees. Objectives include:

(i) monitor overall Service performance and take actions for Service improvement;

(ii) review performance on Service Levels;

(iii) discuss additions and adjustments to Service Levels;

(iv) review status of high priority security risks;

(v) review improvement of Services due to technology innovation and review impacts of technology evolution on the Services;

(vi) review outputs from and provide inputs to the project management process; and

(vii) address escalated issues.

(e) Materials

Customer shall prepare and distribute the agenda for the Vendor Service Steering Committee at least two (2) business days prior to each meeting and will cooperate with Provider in making updates if necessary. The Parties shall prepare and distribute any materials necessary for the Vendor Service Steering Committee to discharge its responsibilities. Responsibility for producing the materials will be determined by the Parties based on availability of and access to the information required to produce the materials. This includes but is not limited to scorecards incorporating:

(xii) quality of Services (e.g., Service Level performance);

(xiii) Customer satisfaction;

(xiv) status of other projects;

(xv) relationship indicators;

(xvi) issues escalated by other committees;

(xvii) IT security incident reports;

(xviii) risk register including mitigation actions; and

(xix) Disaster Recovery Services review.

(f) Meeting Frequency

The Vendor Service Steering Committee shall meet monthly and at other times as agreed between the Parties.

4.3. Contract and Commercial Committee

(a) Formation

A Contract and Commercial Committee shall be formed and shall have convened for the first time no later than Ninety (90) days following the Effective Date.

(b) Chair

The Contract and Commercial Committee shall be chaired by the Customer CPO.

(c) Members

The Contract and Commercial Committee shall be comprised of the following members:

(i) Customer CPO;

(ii) Customer Technical Alliance Manager;

(iii) Customer VP of P&T Finance;

(iv) Additional Customer representatives as necessary;

(v) Provider Client Executive;

(vi) Provider Client Contract and Commercial Executive;

(vii) Provider Client Finance Manager; and

(viii) Additional Provider representatives as necessary.

(d) Key Objectives

The purpose of the Contract and Commercial Committee is to manage the contract and commercial relationship. Objectives include:

(i) discuss contract interpretation issues;

(ii) review and approve monthly financial Reports;

(iii) discuss and establish financial plans and forecasts;

(iv) review Contract Change Requests in accordance with the Contract Change Control Procedures;

(v) address or escalate any contractual and financial issues, including invoice and payment issues and Service Level Credits due; and

(vi) review benchmarking and audit results and ensure that benchmarking and audit remediation is addressed and implemented.

(e) Materials

Customer shall prepare and distribute the agenda for the Contract and Commercial Committee at least two (2) business days prior to each meeting and will cooperate with Provider in making updates if necessary. The Parties shall prepare and distribute any materials necessary for the Contract and Commercial Committee to discharge its responsibilities. Responsibility for producing the materials will be determined by the Parties based on availability of and access to the information required to produce the materials. This includes but is not limited to:

(i) monthly financial Reports;

(ii) proposed Contract Change Requests;

(iii) monthly performance reports on Service Level attainment and Service Level Credit calculations;

(iv) financial plan and forecasts; and

(v) benchmarking and audit results.

(f) Meeting Frequency

The Contract and Commercial Committee shall meet monthly and at other times as agreed between the Parties.

4.4. Joint Technical Steering Committee

(a) Formation

A Joint Technical Steering Committee shall be formed and shall have convened for the first time no later than Ninety (90) days following the Effective Date.

(b) Chair

The Joint Technical Steering Committee shall be chaired by the Customer Enterprise Architecture Lead.

(c) Members

The Joint Technical Steering Committee shall be comprised of the following members:

(i) Customer Enterprise Architecture Lead;

(ii) Customer SVP of Architecture & Technology (“A&T”);

(iii) Customer SVP of ETO;

(iv) Customer Technical Alliance Manager;

(v) Customer Tower Leads;

(vi) Additional Customer representatives as necessary;

(vii) Provider Technology Operation Executive;

(viii) Provider Client Executive;

(ix) Provider Client Architecture Executive;

(x) Provider horizontal optimization team leaders;

(xi) Provider Client Service Delivery Executive; and

(xii) Additional Provider representatives as necessary.

(d) Key Objectives

The purpose of the Joint Technical Steering Committee is to assist with the development of Customer's IT strategy and related policies. The Joint Technical Steering Committee will not be involved in day-to-day operational issues, nor shall it determine Customer's IT strategy.

The objectives of the Joint Technical Steering Committee include:

(i) align the Long Range IT Plan (as defined in Section 9.1 of Attachment B-5 (Cross Functional Services Service Description)) with Customer's IT strategy and policies;

(ii) review and approve Provider's recommendations for inclusion in the Long Range IT Plan;

(iii) review Provider's technical proposals for implementing the Long Range IT Plan;

(iv) provide advice and guidance to the Vendor Service Steering Committee regarding technical improvement issues affecting the technical infrastructure and Customer business operations;

(v) align technical policies, standards and architecture with the Customer's internal technology steering discussions and internal IT standards;

(vi) address escalated technology architecture issues;

(vii) monitor compliance against technology standards; and

(viii) define priorities for architecture standardization initiatives.

(e) Materials

Customer shall prepare and distribute the agenda for the Joint Technical Steering Committee at least two (2) business days prior to each meeting and will cooperate with Provider in making updates if necessary. The Parties shall prepare and distribute any materials necessary for the Joint Technical Steering Committee to discharge its responsibilities. Responsibility for producing the materials will be determined by the Parties based on availability of and access to the information required to produce the materials.

(f) Meeting Frequency

The Joint Technical Steering Committee shall meet monthly and at other times as agreed between the Parties.

4.5. Transition and Transformation Committee

(a) Formation

A Transition and Transformation Committee shall be formed as of the Effective Date and shall have convened for the first time no later than thirty (30) days following the Effective Date.

(b) Chair

The Transition and Transformation Committee shall be chaired by the Customer VP of Transition and Transformation.

(c) Members

The Transition and Transformation Committee shall be comprised of the following members:

(i) Customer VP of Transition and Transformation

(ii) Technology Modernization Team;

(iii) Customer Enterprise Architecture Lead;

(iv) Customer SVP of Corporate IT;

(v) Additional Customer representatives as necessary;

(vi) Provider Client Transition & Transformation Executive;

(vii) Additional Provider representatives as necessary.

(d) Key Objectives

The purpose of the Transition and Transformation Committee is to monitor the execution of the Transition and Transformation in accordance with the applicable Service Agreement. Objectives include:

(i) monitor and review Transition and Transformation status;

(ii) monitor and support the execution of critical deliverables from both Parties;

(iii) identify and address Transition and Transformation issues in accordance with the Agreement; and

(iv) identify, track and address Transition and Transformation risks.

(e) Materials

Customer shall prepare and distribute the agenda for the Transition and Transformation Committee at least two (2) business days prior to each meeting and will cooperate with Provider in making updates if necessary. The Parties shall prepare and distribute any materials necessary for the Transition and Transformation Committee to discharge its responsibilities. Responsibility for producing the materials will be determined by the Parties based on availability of and access to the information required to produce the materials.

(f) Meeting Frequency

The Transition and Transformation Committee will meet monthly until the Transition and Transformation have been successfully completed, and at other times as agreed between the Parties.

4.6. Operations Service Delivery Committee

(a) Formation

An Operations Service Delivery Committee shall be formed and shall have convened for the first time no later than Ninety (90) days following the Effective Date.

(b) Chair

The Operations Service Delivery Committee shall be chaired by the Customer Service Management Operations Manager.

(c) Members

The Operations Service Delivery Committee shall be comprised of the following members:

(i) Customer Service Management Operations Manager;

(ii) Customer Technical Alliance Manager;

(iii) Customer Service Planning and Assurance Manager;

(iv) Additional Customer representatives as necessary;

(v) Provider Client Executive;

(vi) Provider Client Service Delivery Executive;

(vii) Provider horizontal optimization team leaders

(viii) Additional Provider representatives as necessary.

(d) Key Objectives

The purpose of the Operations Service Delivery Committee is to monitor Service performance. Objectives include:

(i) monitor and manage operations required for Service delivery;

(ii) monitor and review the ongoing status of third party performance as appropriate;

(iii) review the following:

(1) Service Levels;

(2) continuous improvement and quality assurance procedures and measurements;

(3) review incident, downtime and root cause trends for the month and over time;

(4) project portfolio and project delivery status, and project issues and opportunities; and

(iv) other such responsibilities as directed by the Vendor Service Steering Committee.

(e) Materials

Customer shall prepare and distribute the agenda for the Operations Service Delivery Committee at least two (2) business days prior to each meeting and will cooperate with Provider in making updates if necessary. The Parties shall prepare and distribute any materials necessary for the Operations Service Delivery Committee to discharge its responsibilities. Responsibility for producing the materials will be determined by the Parties based on availability of and access to the information required to produce the materials. This includes but is not limited to:

(i) Performance reports on Service Level attainment;

(ii) Reports on continuous improvement and quality assurance procedures and measurements;

(iii) project portfolio and delivery status; and

(iv) escalated issue register.

(f) Meeting Frequency

The Operations Service Delivery Committee shall meet monthly and at other times as agreed between the Parties

4.7. Tower Service Delivery Committee (per Tower)

(a) Formation

A Tower Service Delivery Committee for each technology tower shall be formed and shall have convened for the first time no later than Ninety (90) days following the Effective Date.

(b) Chair

The Tower Service Delivery Committee shall be chaired by the Customer Tower Lead for each tower.

(c) Members

The Tower Service Delivery Committee shall be comprised of the following members:

(i) Customer Tower Leads;

(ii) Customer Technical Alliance Manager;

(iii) Customer Service Planning and Assurance Manager;

(iv) Additional Customer representatives as necessary;

(v) Provider Client Executive;

(vi) Provider Client Service Delivery Executive;

(vii) Provider Client Tower Service Delivery Managers;

(viii) Provider horizontal optimization team leaders

(ix) Additional Provider representatives as necessary.

(d) Key Objectives

The purpose of the Tower Service Delivery Committee is to monitor Service performance. Objectives include:

(i) monitor and manage Service delivery for each tower;

(ii) review Service Request backlog and discuss options for prioritization based on business need

(iii) review Tower's technology currency and status;

(iv) monitor and review the ongoing status of third party performance as appropriate;

(v) discuss tower capacity forecasts and technical plan to meet demand increases;

(vi) review the following:

(1) Service Levels;

(2) Service Request performance and backlog;

(3) continuous improvement and quality assurance procedures and measurements;

(4) project portfolio and project delivery status, and project issues and opportunities;

(5) review business and capacity demand forecasts;

(vii) other such responsibilities as directed by the Vendor Service Steering Committee.

(e) Materials

Customer shall prepare and distribute the agenda for the Tower Service Delivery Committee at least two (2) business days prior to each meeting and will cooperate with Provider in making updates if necessary. The Parties shall prepare and distribute any materials necessary for the Tower Service Delivery Committee to discharge its responsibilities. Responsibility for producing the materials will be determined by the Parties based on availability of and access to the information required to produce the materials. This includes but is not limited to:

(i) Performance reports on Service Level attainment;

(ii) Service Request backlog and performance report;

(iii) Reports on continuous improvement and quality assurance procedures and measurements;

(iv) project portfolio and delivery status; and

(v) escalated issue register.

(f) Meeting Frequency

The Tower Service Delivery Committee shall meet monthly and at other times as agreed between the Parties

4.8. Security Committee

(a) Formation

A Security Committee shall be formed and shall have convened for the first time no later than Ninety (90) days following the Effective Date.

(b) Chair

The Security Committee shall be chaired by the Customer VP of Security.

(c) Members

The Security Committee shall be comprised of the following members:

(i) Customer Chief Information Security Officer;

(1) Customer Service Management Operations Manager;

(2) Customer Disaster Recovery Manager;

(ii) Additional Customer representatives as necessary;

(iii) Provider Client Service Delivery Executive;

(iv) Provider Client Security Manager; and

(v) Additional Provider representatives as necessary.

(d) Key Objectives

The purpose of the Security Committee is to monitor and review threats to the availability, integrity and confidentiality of Customer and Customer Data. Objectives include:

(i) monitor and review threats to the availability, integrity and confidentiality of Customer and its customers' data at a global level;

(ii) monitor and review the status of global security incidents and security problems (i.e., incidents and problems with an information security dimension);

(iii) discuss security developments; and

(iv) actively review and, as appropriate, escalate security issues which impact Customer end users and/or which involve a potential reputation damage to Customer.

For the avoidance of doubt, regardless of whether the Security Committee considers or addresses a particular security requirement or issue, Provider will perform the Services pursuant to and in compliance with the terms of the Agreement, including the Security Requirements. The Parties acknowledge that the Security Committee does not have the authority to modify the Security Requirements without submitting any Changes through the Change Control Procedure.

(e) Materials

Customer shall prepare and distribute the agenda for the Security Committee at least two (2) business days prior to each meeting and will cooperate with Provider in making updates if necessary. The Parties shall prepare and distribute any materials necessary for the Security Committee to discharge its responsibilities. Responsibility for producing the materials will be determined by the Parties based on availability of and access to the information required to produce the materials. This includes but is not limited to:

(i) report on Customer impacting or Customer reputation impacting security issues or incidents; and

(ii) report on security developments;

(iii) security issues and escalations.

(f) Meeting Frequency

The Security Committee shall meet monthly and at other times as agreed between the Parties

4.9. Innovation Committee

(a) Formation

An Innovation Committee shall be formed and shall have convened for the first time no later than Ninety (90) days following the Effective Date.

(b) Chair

The Innovation Committee shall be chaired by the Customer Enterprise Architecture Lead.

(c) Members

The Innovation Committee shall be comprised of the following members:

(i) Customer SVP of ETO;

(ii) Customer SVP of A&T;

(iii) Customer Enterprise Architecture Lead;

(iv) Customer Tower Leads as required;

(v) Additional Customer representatives as necessary;

(vi) Provider Operations Executive;

(vii) Provider Client Service Delivery Executive;

(viii) Provider Industry Executive

(ix) Provider horizontal optimization team leaders

(x) Provider Client Architecture Executive; and

(xi) Additional Provider representatives as necessary.

(d) Key Objectives

The purpose of the Innovation Committee is to identify and actively develop innovation ideas originating from Customer or Provider, and to support the implementation of initiatives resulting from such ideas ("Innovation Initiatives"). Objectives include:

(i) actively seek and investigate opportunities to enable Customer to attain a leadership position in the industry through use of cutting edge technologies and business processes;

(ii) develop innovation ideas and support implementation and rollout where appropriate;

(iii) monitor and steer in-flight Innovation Initiatives; and

(iv) review industry and technology trends and agree the appropriate response by Customer and Provider.

(e) Materials

Customer shall prepare and distribute the agenda for the Innovation Committee at least two (2) business days prior to each meeting and will cooperate with Provider in making updates if necessary. The Parties shall prepare and distribute any materials necessary for the Innovation Committee to discharge its responsibilities. Responsibility for producing the materials will be

determined by the Parties based on availability of and access to the information required to produce the materials. This includes but is not limited to:

(i) progress report on existing in-flight Innovation Initiatives;

(ii) proposals as regards new technology and industry trends;

(iii) opportunities for using common business processes / technology platforms; and

(iv) Customer or Provider proposals for innovation.

(f) Meeting Frequency

The Innovation Committee shall meet quarterly and at other times as agreed between the Parties.

5. GOVERNANCE COMMITTEE MEMBERSHIP

5.1. Customer Members

	Head of P&T	SVP of ETO	SVP of A&T	SVP of Corporate IT	CPO	VP of P&T Finance	VP of Transition & Transformation (T&T)	Customer Chief Information Security Officer	Technical Alliance Manager	Service Management Operations Manager	Service Planning & Assurance Manager	Disaster Recovery Manager	Enterprise Architecture Lead	Tower Leads	T&T Project Team
Executive Vendor Business Review Committee	X*	X			X				X						
Vendor Service Steering Committee		X							X*	X					
Contract and Commercial Committee					X*	X			X						
Joint Technical Steering Committee		X	X						X				X*	X	
Transition and Transformation Committee				X			X*								X
Operations Service Delivery Committee									X	X*	X				
Tower Service Delivery Committee									X		X			X*	
Security Committee								X*		X		X			
Innovation Committee		X	X										X*	X	

X* = meeting Chairperson

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED FOR PORTIONS OF THIS EXHIBIT. THE COPY FILED HEREWITH OMITS THE INFORMATION SUBJECT TO A CONFIDENTIALITY REQUEST. OMISSIONS ARE DESIGNATED [* * *]. A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

5.2 Provider Members

	Senior Executive Sponsor	Technology Operation Executive	Client Executive	Client Service Delivery Executive	Client Contract and Commercial Executive	Client Architecture Executive	Client Transition & Transform. Executive	Client Finance Manager	Client Tower Service Delivery Managers.	Client Security Manager
Executive Vendor Business Review Committee	X	X	X		X					
Vendor Service Steering Committee		X	X	X						
Contract and Commercial Committee			X		X			X		
Joint Technical Steering Committee		X	X	X		X				
Transition and Transformation Committee							X			
Operations Service Delivery Committee			X	X						
Tower Service Delivery Committee			X	X					X	
Security Committee				X						X
Innovation Committee		X		X		X				

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6. ROLES AND RESPONSIBILITIES

6.1. Customer Roles and Responsibilities

(a) Customer Technical Alliance Manager

In addition to the terms of Section 12.3 of the Master Agreement, the Customer Technical Alliance Manager has the overall lead for vendor sourcing and reports to the Customer SVP of ETO.

Primary responsibilities for the Technical Alliance Manager include:

(i) maintaining an effective relationship with Provider executives at all levels;

(ii) managing the overall relationship with Provider;

(iii) providing leadership and guidance to the Customer governance organization;

(iv) monitoring Provider and Customer compliance with obligations of the Agreement;

(v) monitoring Provider and Customer contractual deliverable commitments;

(vi) working with Provider Client Executive to progress the goals and objectives of the Agreement;

(vii) serving as an escalated point of contact for any Service delivery issues in accordance with the Dispute Resolution Procedures; and

(viii) liaising with and providing guidance to Customer's corporate executive leadership in regard to the strategic needs of Customer.

6.2. Provider Roles and Responsibilities

(a) Provider Client Executive

In addition to the terms of Section 12.2 of the Master Agreement, the Provider Client Executive is responsible for:

(i) managing the overall relationship between Provider and Customer;

(ii) assuring the successful implementation of the Agreement to operational status;

(iii) ensuring that Provider fulfills all of its obligations under the Agreement;

(iv) working with the Customer governance team to establish, manage, and meet commitments, requirements, and expectations;

(v) working with Customer Technical Alliance Manager to align the delivery of Services with the strategic needs of Customer;

(vi) serving as an escalated point of contact for Service delivery issues in accordance with the Dispute Resolution Procedures; and

(vii) informing Customer about new corporate capabilities and developments within Provider's organization, and proposing ideas and solutions that will provide ongoing benefit to Customer.

(b) Provider Client Service Delivery Executive

The Provider Client Service Delivery Executive will have the accountability for delivering the Services within the scope of the Agreement.

Primary responsibilities of the Provider Client Service Delivery Executive include:

(i) meeting all Service Levels and contractual commitments;

(ii) ensuring that Provider's global operating model delivers on commitments to Customer;

(iii) staffing the Service delivery organization with the appropriate level of trained personnel;

(iv) forecasting resource requirements and managing resourcing requirements for Customer as a whole;

(v) ensuring that the Provider Service delivery complies with Customer Policies, standards and operational procedures;

(vi) providing support to Customer in accordance with the Procedures Manual;

(vii) providing all Reports in accordance with Section 4.6 of the Master Agreement; and

(viii) implementing and meeting the requirements described in the Master Agreement regarding Disaster Recovery Services.

(c) Provider Client Tower Service Delivery Managers

The Provider Client Tower Service Delivery Executive will appoint a team comprised of senior executives to serve as the Provider Client Service Delivery Executive for all Service Towers.

Primary responsibilities of the Provider Client Tower Service Delivery Executives include:

(i) capturing key specific Customer satisfaction issues and implementing appropriate policies and procedures to resolve such issues;

(ii) working with Customer Tower Leads and Customer Operations Manager to ensure that Provider supports Customer's Service delivery needs; and

(iii) collaborating with Customer Tower Leads and Customer Demand Manager on the definition and maintenance of a demand forecast for the Services.

(d) Provider Client Finance Manager

The Provider Client Finance Manager will have primary responsibility for all financial, billing, contractual compliance and new business management functions.

Primary responsibilities of the Provider Client Finance Manager include:

(i) providing the monthly invoice and all account billing and reporting functions;

(ii) implementing and managing Provider financial system including time recording, labor reporting, billing, and budgeting, forecasting, and annual planning;

(iii) acting as the primary Provider focus for new service establishment for Customer; and

(iv) providing all financial reporting, including exception reporting, to Customer.

(e) Provider Client Contract and Commercial Executive

The Provider Client Contract and Commercial Executive is responsible for the contract and commercial issues relating to the Agreement.

Primary responsibilities of the Provider Client Contract and Commercial Executive include:

(i) acting as the commercial/contracts focal point, supporting the Customer governance team on all commercial and contracts related issues;

(ii) determining/deriving in-scope and out-of-scope activities in discussion with Provider contracts specialists, technical leads and legal staff;

(iii) reaching rapid agreement with Customer around Provider interpretations of ambiguous areas of contract wording;

(iv) developing, implementing and maintaining commercial processes for the minimization of risk to Provider in accepting new services and performing the Services;

(v) conducting reasonable training for non-commercial staff on commercial and contracts principles and processes;

(vi) providing all Provider contract administration for the time-phased contractual commitments to assure fulfillment of Provider deliverables;

(vii) preparing and negotiating contracts, contract amendments and other legal agreements in conjunction with Provider corporate legal departments;

(viii) formulating commercial offers (price and terms) and subsequent authorization for all new services and changes to existing Services in conjunction with Customer governance team staff;

(ix) supporting meetings and negotiations with Customer; and

(x) resolving commercial disputes that arise in the course of performing the Services under the Agreement.

(f) Provider Transition and Transformation Executive

The Provider Transition and Transformation Executive is responsible for managing the Provider's Transition and Transformation responsibilities relating to the Agreement.

Primary responsibilities of the Provider Client Transition and Transformation Executive include:

(i) ensuring the Provider fulfills its Transition and Transformation obligations under the Agreement; and

(ii) communicating Transition and Transformation project status to the Customer.

7. OTHER MEETINGS

Meetings in addition to those specifically identified in this Exhibit will be required to effectively manage the relationship, ensure on-going service delivery performance, monitor progress against milestones or project plans and review the status of account activities. It is Provider's responsibility to prepare for, actively participate in, and contribute to daily and weekly operational meetings as required. In addition, ad hoc meetings may be initiated by Customer or Provider as necessary and may be conducted face-to-face, using telephones, via net conference or as otherwise mutually agreed upon by the Parties. Travel expenses for personnel who are assigned to a billable Service must be pre-approved by Customer and such pre-approved travel expenses will be billed as incurred subject to Customer's travel expense policy. Except in unusual circumstances and unless Customer otherwise agrees in advance, any other Provider travel cost required for these meetings will be the responsibility of Provider.

8. MANAGEMENT SUPPORT AND ADVICE

Provider will be responsible for proactively identifying strategies and approaches for future Services in support of Customer that may provide Customer with competitive advantages. Such management support and advice may include but is not limited to the following general areas:

(a) Assisting Customer in setting Customer's application technology direction and strategy;

(b) Assisting Customer in aligning Customer's application architecture and environment with its business and technical strategies;

(c) Supporting Customer in the management and representation of application technology product and service offerings to its internal Customers;

(d) Supporting Customer with its annual planning and budget process;

(e) Maintaining appropriate levels of industry knowledge in Customer's business;

(f) Maintaining appropriate levels of participation and input into forums and conferences, user groups, trade associations and similar organizations as they relate to Provider's responsibilities in support of Customer;

(g) Providing reasonable access to knowledge and information acquired in Provider's specialized research or development facilities;

(h) Meeting with Customer representatives as necessary and appropriate to manage and deliver the Services effectively;

(i) Supporting and participating in the various account management meetings called for by the Master Agreement or any Service Agreement and the procedures adopted by the Parties related to such meetings; and

(j) Participating in related Customer business planning meetings upon request to review operations and business plans and recommend appropriate Services to support plan execution.

EXHIBIT 4

CHANGE CONTROL PROCEDURES

This is EXHIBIT 4, CHANGE CONTROL PROCEDURES, to that certain Master Services Agreement, dated as of November 1, 2015 (the "***Master Agreement***"), between Sabre GLBL Inc. ("***Customer***") and HP Enterprise Services, LLC ("***Provider***").

1. INTRODUCTION

In accordance with Section 13.6 of the Master Agreement, the following sets forth the Contract Change Control Procedures and Operational Change Control Procedures.

2. DEFINITIONS

Capitalized terms used in this Exhibit but not defined herein shall have the meaning ascribed to such terms in the Master Agreement and its Exhibits, including the "Definitions" Exhibit to the Master Agreement. Unless otherwise specified, references to "Section" refer to the applicable Section of this Exhibit.

As set forth in Section 2.3 of the Master Agreement, in the event of a conflict between the terms of this Exhibit and the terms of the Master Agreement, the terms of the Master Agreement shall prevail over the terms of this Exhibit.

3. CONTRACT CHANGE CONTROL PROCEDURES

3.1. Contract Change

(a) Either Party may request a Change to the Agreement or any Service Agreement ("Contract Change") by providing the other Party with written Notice of such request (a "Contract Change Request") describing the proposed Contract Change. In addition to the requirements of Section 23.7 of the Master Agreement, a copy of any such Notice shall also be provided to the Customer Technical Alliance Manager and the Provider Client Executive. Provider will track the status of each Contract Change Request in the manner described in the Procedures Manual.

(b) The Customer Technical Alliance Manager and Provider Client Executive, or their respective designated representatives, will be responsible for reviewing and considering any Contract Change Request.

(c) Regardless of which Party has proposed the Contract Change, Provider will prepare, at its expense, and submit to Customer as soon as practicable, but in any event within ten (10) Business Days after receipt of the Contract Change Request, unless the Parties mutually agree that more time is reasonably required to complete the requirements for the Contract Change, Provider's analysis (the "Change Proposal") of the impact, if any, of the proposed Contract Change on the following elements:

(i) the scope of Services and the Parties' respective Responsibilities;

(ii) Charges;

(iii) Service Levels;

(iv) technology refresh requirements and obligations;

(v) delivery dates;

(vi) evaluation testing and Acceptance Criteria;

(vii) DR/BC Plan;

(viii) Third Party Agreements;

(ix) Account Governance;

(x) regulatory requirements;

(xi) Security Requirements;

(xii) the policies and procedures as set forth in the Procedures Manual;

(xiii) any impacts on other interfaces, other systems and services;

(xiv) the Exit Plan; and

(xv) any other matter reasonably requested by Customer at the time of preparation of the Change Proposal or reasonably considered by either Party to be relevant or impacted by implementation of the proposed Contract Change.

If the Change Proposal submitted by Provider does not include an impact analysis for any of the foregoing elements, Customer may assume in its evaluation of the Change Proposal that the proposed Contract Change has no impact on such element. Provider will resubmit the updated Change Proposal to address the impact to an element not included in Provider's initial Change Proposal ("Revised Change Proposal") and Customer will review such Revised Change Proposal within a reasonable time if (i) any of Customer's members on the Contract and Commercial Committee becomes aware of an impact to an element not addressed in the initial Change Proposal and notifies Provider of such impact in accordance with the procedures set out in Exhibit 3 (Account Governance) or (ii) Provider discovers an impact to an element not addressed in the initial Change Proposal and notifies Customer of such impact in accordance with the procedures set out in this Exhibit.

(d) Once submitted by Provider, Customer will review the Change Proposal. Within 30 days after receipt of the Change Proposal, unless the Parties mutually agree that more time is reasonably required to review the Change Proposal, Customer will either:

(i) approve the Change Proposal;

(ii) reject the Change Proposal;

(iii) request further analysis of, or information regarding, the Change Proposal; or

(iv) request a meeting between the Parties to discuss the Change Proposal further (a "Change Proposal Meeting").

(e) In the event Customer requests a Change Proposal Meeting, the Parties will use reasonable efforts to agree at such meeting to either:

(i) approve the Change Proposal;

(ii) gather further information regarding the Change Proposal;

(iii) modify the Change Proposal as necessary and approve such Change Proposal, as modified; or

(iv) reject the Change Proposal.

(f) In the event that the Party initiating a Contract Change Request believes that the requested Change is required or necessary, the requesting Party shall inform the other Party in writing of the reasons why the Change is required and the impact if the Change is not implemented. In the event that the other Party does not agree to implement the Change, the requesting Party may consider the other Party's failure to agree to implement the Change as a Dispute, and the requesting Party may escalate such Dispute for resolution in accordance with the Master Agreement with the intention of reaching a mutually agreeable resolution according to the Dispute Resolution Procedures.

(g) The Parties will continue to follow the process detailed above until a final resolution regarding the proposed Contract Change is reached. The Parties will act in good faith at all times during such process.

3.2. Variations to the Contract Change Control Procedures

The Parties may, by written agreement, waive or amend any part of the Contract Change Control Procedures with respect to any particular Contract Change Request. Variations may include, but are not limited to, shortening and lengthening the required timeframes or otherwise simplifying the process set forth in this Exhibit 4.

3.3.Effectiveness of a Change

No discussions or interchanges between the Parties with respect to a proposed Contract Change will obligate either Party to approve any Contract Change or will constitute an amendment of the Agreement or any Service Agreement, or a waiver by either Party of any rights thereunder, unless and until reflected in a written amendment signed by the authorized representatives of Customer and Provider. Upon the signature of a Change Proposal by both Parties, the agreed upon Contract Change(s) will constitute an amendment to the Agreement or the affected Service Agreement, as applicable.

3.4.Contract Change Reporting Requirements

(a) Provider will provide Customer with monthly reports specifying the status of all Contract Change Requests.

(b) Within five (5) Business Days after receipt of a written request from Customer, Provider will give Customer a reasonably detailed report of the status of any pending Contract Change Requests and Change Proposals.

4. OPERATIONAL CHANGE CONTROL PROCEDURES

4.1.Documentation

The Operational Change Control Procedures will be documented in the applicable Procedures Manual.

4.2.Purpose and Objectives

The purpose and objectives of the Operational Change Control Procedures are (i) to prioritize all requests for operational Changes, (ii) to minimize the risk of operational Changes by identifying, documenting, quantifying, controlling, managing and communicating operational Change requests, their disposition and, as applicable, implementation and (iii) to allow Provider to manage operational Changes as required by Customer. The operational Changes to which the Operational Change Control Procedures will apply shall be more fully defined in the applicable Procedures Manual.

4.3.Asset Changes

(c) The procedures that shall govern the process by which a Party may propose or request material changes to the Assets used in connection with the Services (“Asset Changes”) are subject to the following requirements:

(i) Provider shall make no Asset Changes that would alter the functionality of the systems used to provide the Services or degrade the performance of the Services, without first obtaining Customer’s approval and mutually agreeing on an acceptance test plan prior to implementation.

Provider may make temporary Asset Changes at any time and without Customer approval to the extent such Asset Changes are necessary (x) to maintain the continuity of the Services, or (y) to correct an event or occurrence that would substantially prevent, hinder or delay the operation of Customer's critical business functions. Provider shall promptly notify Customer of all such temporary changes, and shall as soon thereafter as reasonably practicable return the affected systems to their normal state or implement a permanent Asset Change in accordance with this Section 4.3.

(ii) Prior to using any Provider Equipment or Provider Software to provide the Services affected by the Asset Change, Provider shall utilize customary testing efforts to verify that the item has been properly installed, is operating substantially in conformance to its specifications, and is performing its intended functions in a reliable manner and providing adequate performance consistent with the performance standards applicable immediately prior to the Asset Change.

(iii) Provider shall follow a formalized methodology in migrating programs from development and testing environments into production environments.

4.4. **Emergency Changes**

Notwithstanding the Change consideration and implementation process outlined in this Exhibit 4, if a Change is required to resolve a Priority 1 Incident ("Emergency Change"), Provider shall immediately begin implementing the Emergency Change upon request by Customer. Provider shall also prepare and deliver to Customer a Change Proposal related to the Emergency Change on an expedited basis and the Parties shall work together in good faith to determine the impact on the Agreement (including without limitation, any impact on the Charges) as a result of implementing the Emergency Change. If the Parties are unable to agree on the impact on the Agreement within thirty (30) days after Customer has received the Change Proposal related to the Emergency Change from Provider, either Party may consider such failure to agree to be a Dispute, and may escalate such Dispute for resolution in accordance with the Master Agreement with the intention of reaching a mutually agreeable resolution according to the Dispute Resolution Procedures.

EXHIBIT 5

ACCEPTANCE TEST PROCEDURES

This is EXHIBIT 5, ACCEPTANCE TEST PROCEDURES, to that certain Master Services Agreement, dated as of November 1, 2015 (the "***Master Agreement***"), between Sabre GLBL Inc. ("***Customer***") and HP Enterprise Services, LLC ("***Provider***").

1. INTRODUCTION

In accordance with Section 12.6(b) of the Master Agreement, the following sets forth the Acceptance Test Procedures.

2. DEFINITIONS

Capitalized terms used in this Exhibit but not defined herein shall have the meaning ascribed to such terms in the Master Agreement and its Exhibits, including the "Definitions" Exhibit to the Master Agreement. Unless otherwise specified, references to "Section" refer to the applicable Section of this Exhibit.

As set forth in Section 2.3 of the Master Agreement, in the event of a conflict between the terms of this Exhibit and the terms of the Master Agreement, the terms of the Master Agreement shall prevail over the terms of this Exhibit.

3. ACCEPTANCE TEST PROCEDURES

3.1Testing Procedure

With respect to all (i) Services that are identified in a Service Agreement or Work Order as subject to acceptance testing; (ii) Deliverables; and (iii) Critical Transformation Milestones and all other transition, transformation, and Project milestones that are identified in the applicable Service Agreement or Work Order, as such documents may be amended by the Parties from time to time ("Milestones"), upon Provider's determination that a Service, Deliverable or Milestone materially conforms to all specifications and requirements set forth in the applicable Service Agreement or Work Order, as such documents may be amended by the Parties from time to time (collectively, the "Acceptance Criteria"), Provider shall deliver such Service, Deliverable or Milestone to Customer for acceptance testing or notify Customer in writing that such activity has been completed. Customer shall thereafter have [* * *], or such time as otherwise expressly set forth in the applicable Service Agreement, Work Order or as otherwise agreed to by the Parties in writing ("Acceptance Period"), to review and test the Deliverable, Milestone or the results of the Service for compliance with the Acceptance Criteria. [* * *]. Customer may perform such additional testing (including, without limitation, performance and integration testing) as may be set forth in the applicable Service Agreement, Work Order, or other document executed by the Parties (the "Additional Tests") within the time frames set forth therein.

3.2Failure and Correction

3.2.1In the event that any Deliverable, Milestone or result of the Service materially conforms to all Acceptance Criteria, Customer will accept such Deliverable, Milestone or result of the Service in writing. In the event Customer determines that any Deliverable, Milestone or result of the Service fails to materially conform to the Acceptance Criteria ("Failure"), then Customer will notify Provider within the Acceptance Period, in writing specifying the respects in which such Deliverable, Milestone or result of the Service does not conform to the applicable Acceptance Criteria and what modifications are necessary to make it conform thereto. Thereafter, Provider shall, [* * *] correct and redeliver such Deliverable or Milestone to Customer or re-perform such Service to so conform within [* * *] (in either case, the "Correction Period"). The corrected Deliverable, Milestone or result of the Service shall thereafter be subject to the same testing and acceptance procedure set forth in this Exhibit 5. For the avoidance of doubt, Deliverables, Milestones or results of the Service expressly subject to alternate acceptance procedures are not subject to the procedures set forth in this Exhibit 5 (unless otherwise agreed by the Parties in writing).

3.2.2If Provider receives a Failure notice, but is unable to correct, fulfill and redeliver such Deliverable, Milestone or re-perform such Service within the applicable Correction Period (or otherwise fails to deliver a Deliverable, Milestone or results of the Service by the associated due date), it shall notify Customer of such inability in writing and include in such notice a good faith estimate of the number of additional Business Days required for Provider to correct, fulfill and redeliver such Deliverable, Milestone or re-perform such Service (or initially deliver such Deliverable, Milestone or perform such Service, as applicable). Customer shall have the option to: (i) grant Provider additional time to correct, fulfill and redeliver such Deliverable or Milestone to Customer or re-perform such Service (or initially deliver such Deliverable, Milestone or perform such Service, as applicable) in accordance with the testing and Acceptance process described in this Exhibit 5, [* * *].

EXHIBIT 6

DISPUTE RESOLUTION PROCEDURES

This is EXHIBIT 6, DISPUTE RESOLUTION PROCEDURES, to that certain Master Services Agreement, dated as of November 1, 2015 (the "***Master Agreement***"), between Sabre GLBL Inc. ("***Customer***") and HP Enterprise Services, LLC ("***Provider***").

1. INTRODUCTION

In accordance with Section 22.2 of the Master Agreement, this Exhibit sets forth the Dispute Resolution Procedures to be followed by the Parties to resolve a Dispute between the Parties.

2. DEFINITIONS

2.1 Capitalized terms used in this Exhibit but not defined herein shall have the meaning ascribed to such terms in the Master Agreement and its Exhibits, including the "Definitions" Exhibit to the Master Agreement. Unless otherwise specified, references to "Section" refer to the applicable Section of this Exhibit.

2.2 As set forth in Section 2.3 of the Master Agreement, in the event of a conflict between the terms of this Exhibit and the terms of the Master Agreement, the terms of the Master Agreement shall prevail over the terms of this Exhibit.

2.3 "Qualified" means having extensive knowledge or experience regarding the subject of the Dispute.

2.4 "Complex Dispute List" means the Complex Dispute List maintained by J*A*M*S/Endispute ("JAMS") or another list of individuals having similar qualifications maintained by JAMS.

3. DISPUTE RESOLUTION PROCEDURES

3.1 General. Except as otherwise stated in the Agreement, the Parties will follow the Dispute Resolution Procedures set forth in this Exhibit to address all Disputes arising between the Parties.

3.2 Timely Resolution of Disputes. Customer and Provider shall at all times exercise reasonable, good faith efforts to resolve all Disputes in a timely, amicable and efficient manner.

3.3 Escalation Procedure.

(a) Initial Referral. All Disputes shall initially be referred by either Party to the Customer Technical Alliance Manager and the Provider Client Executive via a written notice to the other Party referencing these Dispute Resolution Procedures. The Customer Technical Alliance Manager and

Provider Client Executive shall negotiate to resolve the Dispute within 15 Business Days of receipt of such written notice.

(b) Vendor Service Steering Committee. If the Customer Technical Alliance Manager and Provider Client Executive do not resolve the Dispute within 15 Business Days after the date of referral of the Dispute to them (or such other longer period as the Parties may mutually agree in writing), either Party may submit the Dispute to the Vendor Service Steering Committee, which shall convene to discuss the Dispute within three Business Days (or such longer period as the Parties may mutually agree in writing) of referral of the Dispute to them and shall negotiate in good faith to resolve the Dispute, and may include in their meetings such experts or advisors as the Vendor Service Steering Committee may agree.

(c) Executive Vendor Business Review Committee. If the Vendor Service Steering Committee does not resolve the Dispute within 15 Business Days after the date of referral of the Dispute to them (or such other longer period as the Parties may mutually agree in writing), either Party may submit the Dispute to the Executive Vendor Business Review Committee, which shall convene to discuss the Dispute within three Business Days (or such longer period as the Parties may mutually agree in writing) of referral of the Dispute to them and shall negotiate in good faith to resolve the Dispute, and may include in their meetings such experts or advisors as the Executive Vendor Business Review Committee may agree. If the Executive Vendor Business Review Committee does not resolve the Dispute within 15 Business Days (or such longer period as that Executive Vendor Business Review Committee may agree in writing) after the date of referral to it, either Party may submit the Dispute to non-binding mediation in accordance with Section 3.4.

(d) Acceleration. Notwithstanding the foregoing, in the event either Party believes at any time and in its sole discretion that the escalation procedure set forth in this Section 3.3 will not resolve the Dispute in a timely or satisfactory manner, such Party may accelerate the Dispute directly to non-binding mediation in accordance with Section 3.4.

(e) Binding Arbitration. If the Dispute is not resolved by any of the preceding steps and is not resolved by mediation, the Dispute shall be submitted to binding arbitration in accordance with Section 3.5 below.

3.4 Non-Binding Mediation. Mediation of an unresolved Dispute shall be conducted in the following manner:

(a) Either Party may submit the Dispute to mediation by giving notice of mediation to the other Party. The Parties shall thereafter attempt to promptly agree upon and appoint a Qualified sole mediator.

(b) If the Parties are unable to agree upon a mediator within 10 days after the date the Dispute is submitted to mediation, either Party may request the Dallas office of JAMS to appoint a Qualified mediator. The mediator so appointed shall be deemed to be Qualified.

(c) The mediation shall be conducted in the Dallas metropolitan area at a place and a time agreed by the Parties with the mediator, or if the Parties cannot agree, as designated by the mediator. The mediation shall be held as soon as practicable, considering the schedules of the mediator and the Parties.

(d) If either Party has a substantial need for information from the other Party in order to prepare for the mediation, the Parties shall attempt to agree on procedures for the formal exchange of information. If the Parties cannot agree, the mediator's determination as to such issue shall govern such matters during the mediation.

(e) Customer shall be represented in the mediation by at least its Customer Technical Alliance Manager or another natural Person with authority to settle the Dispute on behalf of Customer and, if desired, by counsel for Customer. Provider shall be represented in the mediation by at least its Provider Client Executive or another natural Person with authority to settle the Dispute on behalf of Provider and, if desired, by counsel for Provider. The Parties' representatives in the mediation shall continue with the mediation as long as the mediator requests; provided, however, either Party may refer the Dispute to litigation in accordance with Section 3.5 hereof, if the Dispute is not resolved by the mediator within 30 Business Days after the initial referral to non-binding mediation, notwithstanding the pendency of such mediation.

(f) [* * *]. Neither Party may employ or use the mediator as a witness, consultant, expert or counsel regarding the Dispute or any related matters.

3.5 Arbitration. Arbitration of an unresolved Dispute shall be conducted in the following manner:

(a) Either Party may initiate arbitration by filing a demand for arbitration (the "***Demand***") in accordance with the American Rules of Arbitration (the "***Arbitration Rules***"). The Parties shall thereafter attempt to promptly agree upon and appoint a Panel of three arbitrators (the "***Panel***"). Each of those arbitrators must be Qualified, and at least two of those arbitrators must be included in the Complex Dispute List.

(b) If the Parties are unable to agree upon any or all of the arbitrators within 10 days after the filing of the Demand (and do not agree to an extension of that 10-day period), either Party may request the Dallas office of JAMS to appoint a Qualified arbitrator or arbitrators (and at least two of whom must be included in the Complex Dispute List), necessary to complete the Panel in accordance with the Arbitration Rules. Each arbitrator so appointed shall be deemed to be Qualified and to be accepted by the Parties as part of the Panel.

(c) The arbitration shall be conducted in the Dallas metropolitan area at a place and a time agreed by the Parties with the Panel, or if the Parties cannot agree, as designated by the Panel. The Panel may, however, call and conduct hearings and meetings at such other places as the Parties may agree or as the Panel may, on the motion of one Party, determine to be necessary to obtain significant testimony or evidence.

(d) The Parties shall attempt to agree upon the scope and nature of any discovery for the arbitration. If the Parties do not agree, the Panel may authorize any and all forms of discovery, including depositions, interrogatories and document production, upon a showing of particularized need that the requested discovery is likely to lead to material evidence needed to resolve the Dispute.

(e) The arbitration shall be subject to the Federal Arbitration Act and conducted in accordance with the Arbitration Rules to the extent they do not conflict with this Section 3.5. The Parties and the Panel may, however, agree to vary the provisions of this Section 3.5 or the matters otherwise governed by the Arbitration Rules.

(f) The Panel has no power to:

(i) rule upon or grant any extension, renewal or continuance of the Agreement; or

(ii) award remedies or relief either expressly prohibited by the Agreement or under circumstances not permitted by the Agreement.

(g) Unless the Parties otherwise agree, all Disputes regarding or related to the same topic or event that are subject to arbitration during the same time period shall be consolidated in a single arbitration proceeding.

(h) A Party or other person involved in an arbitration under this Section 3.5 may join in that arbitration any Person other than a Party if:

(i) the person to be joined agrees to resolve the particular Dispute or controversy in accordance with this Section 3.5 and the other provisions of this Exhibit applicable to arbitration; and

(ii) the Panel determines, upon application of the person seeking joinder, that the joinder of that other person will promote the efficiency, expediency and consistency of the result of the arbitration and will not unfairly prejudice any other party to the arbitration.

(i) The arbitration hearing shall be held within 60 days after the appointment of the Panel unless the Parties agree otherwise. Upon request of either Party, the Panel shall arrange for a transcribed record of the arbitration hearing, to be made available to both Parties.

(j) The Panel's final decision or award shall be made within 30 days after the hearing. That final decision or award shall be made by unanimous or majority vote or consent of the arbitrators constituting the Panel, and shall be deemed issued at the place of arbitration. The Panel shall issue a reasoned written final decision or award based on the Agreement and Texas law.

(k) The Panel's final decision or award may include:

(i) recovery of Damages to the extent permitted by the Agreement; or

(ii) injunctive relief in response to any actual or threatened breach of the Agreement or any other actual or threatened action or omission of a Party under or in connection with the Agreement.

(l) The Panel's final decision or award shall be final and binding upon the Parties, and judgment upon that decision or award may be entered in any court having jurisdiction over either or both of the Parties or their respective assets. The Parties specifically waive any right they may have to apply or appeal to any court for relief from the preceding sentence or from any decision of the Panel, or any question of law arising from or related to the Dispute, before or after the final decision or award.

(m) [* * *]

4. EXCEPTIONS

4.1 Injunctive Relief. Notwithstanding anything to the contrary in this Exhibit, either Party may seek provisional, temporary or preliminary injunctive relief (including without limitation the provision of Termination Assistance Services) from a court or other tribunal having jurisdiction, in response to an actual or threatened breach of the Agreement, or otherwise so as to avoid irreparable damage or maintain the status quo, until the Dispute is resolved.

4.2 Mutual Agreement. The Parties may take any other action to resolve the Dispute, whether or not permitted by or in conflict with this Exhibit, if the action is specifically agreed to in writing by the Parties.

4.3 Enforcement. Nothing in the Agreement, this Exhibit or otherwise shall limit the right of either Party to apply to a court or other tribunal having jurisdiction to enforce these Dispute Resolution Procedures.

5. MISCELLANEOUS

5.1 Confidentiality. The proceedings of all negotiations and mediations as part of the Dispute Resolution Procedures shall at all times be privately conducted. The Parties agree that all information, materials, statements, conduct, communications, negotiations, mediations, offers of settlement, documents, decisions, and awards of either Party, in whatever form and however disclosed or obtained in connection with the Dispute Resolution Procedures:

(a) shall be considered Confidential Information (subject to Section 16.2 (Exclusions) of the Master Agreement);

(b) shall not be offered into evidence, disclosed, or used for any purpose other than the Dispute Resolution Procedures; and

(c) will not constitute an admission or waiver of rights.

5.2 Continued Performance. Except where prevented from doing so by the matter in Dispute, Provider agrees to continue performing its obligations under the Agreement while any good faith Dispute is being resolved unless and until such obligations are terminated by the termination or expiration of the Agreement.

5.3 Tolling. The exercise of these Dispute Resolution Procedures to resolve a Dispute shall toll the running of any statute of limitations applicable to that Dispute, effective as of the initial meeting pursuant to these Dispute Resolution Procedures specifically regarding the Dispute.

EXHIBIT 7

INFORMATION SECURITY REQUIREMENTS

This is EXHIBIT 7, INFORMATION SECURITY REQUIREMENTS, to that certain Master Services Agreement, dated as of November 1, 2015 (the "***Master Agreement***"), between Sabre GLBL Inc. ("***Customer***") and HP Enterprise Services, LLC ("***Provider***").

1.0 Introduction

In accordance with the Master Agreement, this Exhibit sets forth the information security requirements and standards to be followed by Provider ("Information Security Requirements"). The Information Security Requirements are deemed to be an inherent part of the Services. Provider will be responsible for implementing and following the Information Security Requirements, and for providing recommendations and guidance to Customer as reasonably requested on security architecture.

For the avoidance of doubt, unless otherwise stated herein or in the applicable Service Agreement, the Service Infrastructure will follow the Customer policies and procedures set forth in this Exhibit 7 and the applicable Service Agreement. Otherwise, Provider will follow Provider's standard policies and procedures.

2.0 Definitions

Capitalized terms used in this Exhibit but not defined herein shall have the meaning ascribed to such terms in the Master Agreement and its Exhibits, including the "Definitions" Exhibit to the Master Agreement. Unless otherwise specified, references to "Section" refer to the applicable Section of this Exhibit.

As set forth in Section 2.3 of the Master Agreement, in the event of a conflict between the terms of this Exhibit and the terms of the Master Agreement, the terms of the Master Agreement shall prevail over the terms of this Exhibit.

"Focal Point" means, with respect to either Provider or Customer, the person designated by such Party with responsibility for day-to-day security management for such Party.

[* * *]

"Service Infrastructure" means, collectively, the Customer-specific Sites, Equipment, Provider Owned Software, Provider Licensed Software, and Customer Software used to deliver the Services.

3.0 Data Management

a. Audit.

1. [* * *]

2. [* * *]

4.0 Security Management

a. [* * *]

1. [* * *]

2. [* * *]

3. [* * *]

4. [* * *]

b. [* * *]

1. [* * *]

(i) [* * *]

(ii) [* * *]

(iii) [* * *]

2. [* * *]

c. [* * *]

1. [* * *]

(i) [* * *]

(ii) [* * *]

d. [* * *]

1. [* * *]

2. [* * *]

3. [* * *]

4. [* * *]

e. Segregation of Duties

[* * *]

—

5.0 Physical Security

a. Facilities.

1. [* * *]

2. [* * *]

3. [* * *]

(i) [* * *]

(ii) [* * *]

(iii) [* * *]

(iv) [* * *]

(v) [* * *]

(vi) [* * *]

(vii) [* * *]

(viii) [* * *]

4. [* * *]

5. [* * *]

b. [* * *]

1. [* * *]

2. [* * *]

3. [* * *]

—

6.0 Logical Access Control

a. Service Infrastructure.

[* * *]

b. Security Administration.

1. [* * *]

2. [* * *]

3. [* * *]

[* * *]

4. [* * *]

5. [* * *]

6. [* * *]

c. System and Network Security.

1. [* * *]

2. [* * *]

3. [* * *]

4. [* * *]

5. [* * *]

6. [* * *]

7. [* * *]

8. [* * *]

9. [* * *]

d. Encryption.

1. [* * *]

2. [* * *]

3. [* * *]

e. Record Keeping.

[* * *]

f. Provider Personnel.

1. [* * *]

2. [* * *]

3. [* * *]

4. [* * *]

g. Customer will:

1. [* * *]

2. [* * *]

7.0 Network Infrastructure Security

[* * *]

EXHIBIT 8

MARKET CURRENCY PROCEDURES

This is EXHIBIT 8, MARKET CURRENCY PROCEDURES, to that certain Master Services Agreement , dated as of November 1, 2015 (the "***Master Agreement***"), between Sabre GLBL Inc. ("***Customer***") and HP Enterprise Services, LLC ("***Provider***").

1. INTRODUCTION

In accordance with Section 8.4 of the Master Agreement, this Exhibit sets forth the procedures for annual reviews and benchmark assessments of the competitiveness of the Charges for the applicable Services as compared with other services being offered in the marketplace that are of a similar scope, service levels, volume and complexity to the applicable Services (***"Comparable Services"***), **[* * *]** (the ***"Benchmarking Process"***).

2. DEFINITIONS

(a) Capitalized terms used herein will have the meanings set forth in the "Definitions" Exhibit to the Master Agreement unless otherwise defined herein. Unless otherwise specified, references to "Section" refer to the applicable Section of this Exhibit.

(b) As used herein, ***"Best Value"*** means that the Charges (i) for Select Mainframe Services, will be equal to or less than **[* * *]**, and (ii) for any and all Services other than Select Mainframe Services, under each Service Agreement will be equal to or less than **[* * *]**.

(c) ***"Select Mainframe Services"*** means the Services described in Attachment B-2 of Schedule B to Service Agreement No.1.

(d) [* * *]

3. BENCHMARKING PROCESS AND PROCEDURES.

3.1. Initiating Benchmarking.

(a) The Benchmarking Process may be initiated by Customer at any time after [* * *] by giving at least 90 days' prior Notice to Provider.

(b) Customer shall select the Benchmarker from the List of Approved Benchmarkers set forth below. [* * *]. The Parties agree that the Benchmarker will not be compensated on a contingency fee basis.

(c) This Section 3 describes the independent process used to validate that the applicable Services meet the Best Value requirements. Customer may, at its option, elect to

benchmark any combination of any of the following: [* * *]. The Benchmarking Process shall be conducted collaboratively with the Parties being fully and equally involved throughout.

(d) The "***List of Approved Benchmarkers***" is:

[* * *]
[* * *]
[* * *]

3.2. Benchmarking Process Methodology.

Customer, Provider and the Benchmarker shall conduct the Benchmarking Process according to the following methodology or other methodology proposed by the Benchmarker and agreed to by Customer and Provider:

(a) The Benchmarker shall select a representative sampling of other top tier outsourcing providers providing Comparable Services to organizations similar to Customer ("***Comparators***"). There shall be at least **[* * *]** Comparators, or such lesser number if the Comparator information available to the Benchmarker is comprised of a lesser number of Comparators **[* * *]**. In the event that the Parties and the Benchmarker cannot agree upon the Comparators, then the Benchmarker shall select the Comparators. The Benchmarker shall make adjustments to the Comparators as necessary to permit a normalized comparison, taking into account factors such as, but not limited to: **[* * *]**. The Benchmarker shall perform a price-based benchmark, comparing the total charges, in aggregate (as normalized pursuant to this Section 3), for the Services that are the subject of the benchmark (the ***"Benchmarked Services"***), against the total charges applicable to similar services with respect to the selected Comparators **[* * *]**.

(b) For each Comparator used to calculate a normalized analysis of the Comparators' charges as compared to the Charges for the Benchmarked Services (the "***Benchmark Results***"), the Benchmarker shall disclose to Customer and Provider the demographic data (e.g., the total number of resource units and/or other basis on which charges are based, a general description of the service levels and service environment and other similar data) reasonably required for the Parties to understand the basis upon which the Benchmarker determined that the Comparators chosen by the Benchmarker comply with the requirements set forth above. Due to the confidential nature of Comparator data and nondisclosure agreements to which such data may be subject, the Benchmarker shall not be required to disclose the name of the Comparators, or other potentially identifying information that the Benchmarker believes may compromise the confidentiality of the data.

(c) The data used by the Benchmarker in the Benchmarking Process will be reasonably current, i.e., based on Services provided for Customer and services provided for the Comparators no more than 12 months prior to the start of the Benchmarking Process.

(d) The Benchmarker shall compare each Comparator's contracted charges with Provider's Charges for the Benchmarked Services.

(e) The Benchmarker shall use normalization techniques that the Benchmarker deems appropriate to use to generate the Benchmark Results. The Benchmarker shall fully explain its normalization techniques to Provider and Customer. **[* * *]**

(f) Customer and Provider agree (i) that the Benchmarker will conduct the Benchmarking Process in accordance with the Benchmarker's own policies, methodologies, and practices, and the requirements of this Section 3, and (ii) to consult with the other Party regularly and cooperate reasonably with the Benchmarker in the Benchmarking Process activities. The Benchmarker will provide documentation to the Parties regarding its methodology, as well as explaining its normalization process, including pre- and post-normalization data for each Comparator, and shall provide such additional data, analysis and findings, including any supporting documentation, for the Benchmarker's services to Provider and Customer as appropriate throughout the Benchmarking Process.

(g) Immediately after the Benchmarker's release of its preliminary Benchmark Results (as set forth in subsection (i) below), Customer and Provider will be permitted to disclose price information under the relevant Service Agreement(s) to the Benchmarker (and if necessary to the Reviewer), subject to execution of an appropriate confidentiality agreement in accordance with Article 16 (Confidentiality and Data) of the Master Agreement. Provider shall not be obligated to disclose to the Benchmarker (or Reviewer, if applicable) data with respect to its costs or any other customers of Provider.

(h) All information provided to and obtained from the Benchmarker shall be simultaneously provided to both Provider and Customer unless otherwise agreed by the Parties. Such information shall be deemed to be confidential information of the providing Party (or, if such information originated with the Benchmarker and is not the Company Information of either Party, of both Parties) under the Master Agreement and shall be subject to the confidentiality agreement executed with the Benchmarker and shall not be used for any other purpose. The Benchmarker (and any Reviewer) shall contract to keep all information associated with the Charges and terms of the Master Agreement and Service Agreements confidential and secure and to use it for no other purposes, including the purpose of adding to any of its databases, except with the express written permission of both Parties.

(i) The Benchmarker shall prepare and concurrently submit to the Parties preliminary Benchmark Results. The Parties shall have ten Business Days to review and submit questions and comments to the Benchmarker. If there are issues raised regarding the preliminary Benchmark Results, either Party may request a joint session with the Benchmarker. If such request is made, the Benchmarker shall review the issues raised and any other materials submitted by either Party, and shall thereafter, as promptly and practicable, submit final Benchmark Results (including a comparison of the relevant Charges to the relevant Best Value standard(s)) to both Parties, including any revisions to the preliminary Benchmark Results (the date such final Benchmark Results are submitted is referred to herein as the "***Completion Date***"). **[* * *]**

(j) The Benchmarker shall prepare the complete and final Benchmark Results promptly, but no later than 90 days after the commencement of the Benchmarking Process by the Benchmarker. If the Benchmarker is for any reason unable to complete the Benchmarking Process within the time

period set forth in this Section 3, the Parties will reasonably extend such period to allow the Benchmarker to complete the Benchmarking Process.

3.3. [* * *]

(a) [* * *]

(b) [* * *]

(c) [* * *]

(d) [* * *]

(e) [* * *]

3.4. [* * *]

[* * *]

(a) [* * *]

(b) [* * *]

(i) [* * *]

(ii) [* * *]

[* * *]

(c) [* * *]

3.5. Access and Confidentiality.

Any Benchmarker and any Reviewer engaged as part of a Benchmarking Process shall agree in writing to be bound by the applicable confidentiality and security provisions specified in the Master Agreement. Each Party shall cooperate fully with the Benchmarker and shall provide reasonable access to the Benchmarker during such effort to permit Benchmarker to perform the Benchmarking.

3.6. Cooperation and Assistance.

Each Party will provide, and ensure that its subcontractors (excluding in the case of Customer, Provider and Provider Agents) provide, all necessary cooperation, information, documents and assistance reasonably required to perform the Benchmarking.

3.7. [* * *]

[* * *]

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED FOR PORTIONS OF THIS EXHIBIT. THE COPY FILED HEREWITH OMITS THE INFORMATION SUBJECT TO A CONFIDENTIALITY REQUEST. OMISSIONS ARE DESIGNATED [* * *]. A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

EXHIBIT 9

CUSTOMER POLICIES

This is EXHIBIT 9, CUSTOMER POLICIES, to that certain Master Services Agreement, dated as of November 1, 2015 (the "***Master Agreement***"), between Sabre GLBL Inc. ("***Customer***") and HP Enterprise Services, LLC ("***Provider***").

1. **Definitions.** Capitalized terms used in this Exhibit but not defined herein shall have the meaning ascribed to such terms in the Master Agreement and its Exhibits, including the "Definitions" Exhibit to the Master Agreement. Unless otherwise specified, references to "Section" refer to the applicable Section of this Exhibit.

   As set forth in Section 2.3 of the Master Agreement, in the event of a conflict between the terms of this Exhibit and the terms of the Master Agreement, the terms of the Master Agreement shall prevail over the terms of this Exhibit.

2. **Customer Policies**.

   It is Customer's policy that the following practices be established, administered and maintained, as applicable to the Services. The Parties acknowledge that Provider has been provided with the Customer Policies in effect as of the Execution Date. Any updates to the Customer Policies will be provided to Provider at least thirty (30) days prior to the effective date of such updates. Provider will comply with such updates in accordance with the Change Control Procedures.

   a. Privacy Laws. In provision of the Services defined herein and in any applicable Service Agreement, Provider shall be responsible for complying with Privacy Laws and the provisions set forth in Exhibit 11 (Privacy Requirements) pursuant to Section7.1 (b) of the Master Agreement.

   b. Customer Security Policies. In provision of the Services defined herein and in any applicable Service Agreement, Provider shall be responsible for following Information Security Requirements as defined in Exhibit 7.

   c. Travel and Expense Policy. In provision of the Services in any applicable Service Agreement, any travel and related expenses incurred by Provider shall be incurred in accordance with Customer's travel and expense policy.

   d. Code of Ethics Policy. In provision of the Services in any applicable Service Agreement, Provider shall have a formal code of ethics policy documented and distributed, and a process to monitor acknowledgement (e.g., new hire and annual).

   e. Background Check Verification. In provision of the Services in any applicable Service Agreement, Provider shall have a formal background check verification process documented and executed, and verifiable compliance monitoring process available for

Customer review. Provider shall comply with the background check requirements listed in Exhibit 10.

f. Information Security Policies. In addition to the information security requirements set forth elsewhere in the Agreement, Provider shall have processes and procedures in place to comply with the following Customer Policies:

- Information Security (ITS 100)
- IT Risk Management (ITS 104)
- Data Protection (ITS 105)
- Access Control and Password Management (ITS 200)
- Email and Messaging Policy (ITS201)
- Remote Access (ITS 202)
- Acceptable Use Policy (ITS 203)
- Security Awareness and Protection Training (ITS 205)
- Use of Personal Equipment (ITS 300)
- Anti-Virus (ITS 302)
- Intrusion Detection (ITS 400)
- Production-Nonproduction Connectivity (ITS 401)
- Patch Management (ITS 402)
- Firewall and Router (ITS 403)
- Change Management (ITS 501)
- Incident Response (ITS 504)
- Software Management (ITS 602)

g. Information Disclosure / Media / Investor communications. In provision of the Services in any applicable Service Agreement, Provider shall comply with Customer's information disclosure, media and investor communications policies.

h. Suspected Thefts, Unauthorized Transactions and Similar Irregularities. In provision of the Services in any applicable Service Agreement, Provider shall comply with Customer's policy regarding suspected thefts, unauthorized transactions and similar irregularities.

i. Records Storage Services. In provision of the Services in any applicable Service Agreement, Provider shall comply with Customer's policy regarding record storage services.

j. Records Retention. In provision of the Services in any applicable Service Agreement, Provider shall comply with Customer's policy regarding record retention.

k. Network LAN Drive Usage. In provision of the Services in any applicable Service Agreement, Provider shall comply with Customer's policy regarding network LAN drive usage.

Exhibit 10

BACKGROUND INVESTIGATIONS

This is Exhibit 10, Background Investigations, to that certain Master Services Agreement, dated as of November 1, 2015 (the "***Master Agreement***"), between Sabre GLBL Inc. ("***Customer***") and HP Enterprise Services, LLC ("***Provider***").

1. **Definitions**

Capitalized terms used in this Exhibit but not defined herein shall have the meaning ascribed to such terms in the Master Agreement and its Exhibits, including the "Definitions" Exhibit to the Master Agreement. Unless otherwise specified, references to "Section" refer to the applicable Section of this Exhibit.

As set forth in Section 2.3 of the Master Agreement, in the event of a conflict between the terms **of this Exhibit and the terms of the Master Agreement, the terms of the Master Agreement shall prevail over the terms of this Exhibit.**

2. **[* * *]**

2.1 **[* * *]**

(a) **[* * *]**

(i) **[* * *]**

(b) **[* * *]**

(i) **[* * *]**

(ii) **[* * *]**

(c) **[* * *]**

(i) **[* * *]**

3. **[* * *]**

(a) **[* * *]**

(b) **[* * *]**

(c) **[* * *]**

4. **[* * *]**

[* * *]

(a) **[* * *]**

(b) **[* * *]**

EXHIBIT 11

Privacy requirements

This is Exhibit 11, Privacy REQUIREMENTS, to that certain Master Services Agreement, dated as of November 1, 2015 (the "***Master Agreement***"), between Sabre GLBL Inc. ("***Customer***") and HP Enterprise Services, LLC ("***Provider***").

A. **INTRODUCTION**

This Exhibit sets forth the respective data management and data privacy responsibilities of Customer and Provider under the Master Agreement (***"Privacy Requirements"***), which are in addition to any specific Services described in any applicable Service Agreement(s). The Privacy Requirements are deemed to be an inherent part of the Services.

Attachment A of this Exhibit sets forth certain matters with respect to the Model Clauses executed by the Parties (and/or their Affiliates).

B. **DEFINITIONS**

Capitalized terms used in this Exhibit shall have the meaning set forth below or, if not set forth below, the meaning ascribed to them in Master Agreement and its Exhibits, including the "Definitions" Exhibit to the Master Agreement. Unless otherwise specified, references to "Section" refer to the applicable Section of this Exhibit

As set forth in Section 2.3 of the Master Agreement, in the event of a conflict between the terms of this Exhibit and the terms of the Master Agreement, the terms of the Master Agreement shall prevail over the terms of this Exhibit.

"Authorized Third Parties" has the meaning set forth in Section 2.0.a.2 below.

"Certification" has the meaning set forth in Section 2.0.b.1 below.

"Data Protection Filings" has the meaning set forth in Section 1.0.a below.

"EEA" has the meaning set forth in Section 2.0.b.1 below.

"EU Data Directive" has the meaning set forth in Section 2.0.b.2 below.

"Model Clauses" means any EU standard contractual clauses permitting the transfer of personal data to processors outside the European Economic Area, that are promulgated in accordance with the EU Data Directive (or its successor), as may be amended from time-to-time.

"Safe Harbor" or ***"Safe Harbor Framework"*** (or words of similar import) means the U.S. Department of Commerce's Safe Harbor program or an element of that program (as the case may be) in its current form as of the Effective Date.

"Safe Harbor Principles" means the principles with which participants in the Safe Harbor must comply.

C. **PRIVACY REQUIREMENTS**

1.0 **Data Management**

a. Obligations with Respect to Privacy Laws.

Provider and Customer are each responsible for complying with their respective obligations with respect to Personally Identifiable Information under applicable Privacy Laws. Provider shall comply with its obligations as Customer's service provider and as a data processor or subprocessor, as applicable, of any such Personally Identifiable Information under applicable Privacy Laws. Customer shall comply with its obligations as a data controller or data processor, as applicable, of any such Personally Identifiable Information under applicable Privacy Laws. For the avoidance of doubt, as between Customer and Provider, Customer shall be and remain the controller of the Personally Identifiable Information for purposes of the Privacy Laws, with rights to determine the purposes for which the Personally Identifiable Information is accessed, stored and Processed.

From time-to-time during the Term, Customer may request Provider, and Provider agrees to assist and cooperate fully (at Customer's expense), to: (i) execute additional documentation to permit the transfer and Processing of Personally Identifiable Information outside of a jurisdiction, including Model Clauses or documentation related to maintaining its Safe Harbor Certification (as set forth in Section 2.0.b below) and/or any similar safe harbors or exemptions to Privacy Laws as such relate to the Services; (ii) assist the Customer Group in fulfilling registration requirements under Privacy Laws, including without limitation, providing requested information and registering with data protection authorities as requested by Customer in order to permit Customer and Provider to achieve the purposes of the Master Agreement; or (iii) assist the Customer Group with responding to any data protection authority, Governmental Authority, or other Third Party requests to the extent necessary to comply with Privacy Laws (collectively, ***"Data Protection Filings"***). Provider shall work with Customer to execute Data Protection Filings designated by Customer within timeframes reasonably required to meet deadlines imposed by the data protection authority, Governmental Authority, or other Third Party. Further, Provider will cooperate in good faith with any request by Customer to respond to a Data Protection Filing request, and upon receipt of such a request, will: (a) respond in a complete and accurate manner, and (b) work with Customer to provide the response to Customer in writing within timeframes reasonably required to meet deadlines imposed by the data protection authority, Governmental Authority, or other Third Party. Provider acknowledges and agrees that each copy of the Data Protection Filings executed pursuant to this Exhibit shall constitute Company Information of Customer.

b. Information Requests.

1. If the Customer Group is required to provide information regarding Personally Identifiable Information, Provider will respond promptly to Customer's inquiries concerning such Personally Identifiable

Information and will reasonably cooperate with the Customer Group in providing such information. If Provider receives a direct request for Personally Identifiable Information, Provider shall promptly direct the request to Customer.

2. Upon Provider's or Customer's reasonable written request, Customer or Provider will provide the other with such information that it has regarding Personally Identifiable Information and its Processing that is necessary to enable the requester to comply with its obligations under this Section.

3. Provider consents to Customer Group providing information relating to Provider's obligations under this Exhibit to Customer Group's customers and potential customers, and agrees to cooperate and provide reasonable assistance to Customer Group in responding to requests from its customers and potential customers relating to this Exhibit. Such customers and potential customers shall be required to maintain the confidentiality of this information consistent with Customer's confidentiality obligations under the **Master Agreement.**

2.0 [* * *]

a. [* * *]

1. [* * *]

2. [* * *]

b. [* * *]

1. [* * *]

2. [* * *]

(1) [* * *]

(2) [* * *]

(3) [* * *]

(4) [* * *]

(5) [* * *]

3. [* * *]

(1) [* * *]

(2) [* * *]

(3) [* * *]

(4) [* * *]

(5) [* * *]

4. [* * *]

5. [* * *]

6. [* * *]

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED FOR PORTIONS OF THIS EXHIBIT. THE COPY FILED HEREWITH OMITS THE INFORMATION SUBJECT TO A CONFIDENTIALITY REQUEST. OMISSIONS ARE DESIGNATED [* * *]. A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Exhibit 12

INSURANCE REQUIREMENTS

This is Exhibit 12, insurance requirements, to that certain Master Services Agreement, dated as of November 1, 2015 (the "***Master Agreement***"), between Sabre GLBL Inc. ("***Customer***") and HP Enterprise Services, LLC ("***Provider***").

1. **INTRODUCTION**

In accordance with Section 21.1 of the Master Agreement, this Exhibit sets forth the insurance coverages and limit requirements for Provider and Provider Agents.

2. **DEFINITIONS**

Capitalized terms used in this Exhibit but not defined herein shall have the meaning ascribed to such terms in the Master Agreement and its Exhibits, including the "Definitions" Exhibit to the Master Agreement, and its Schedules (including the "Definitions" Schedule), Attachments, and Appendices. Unless otherwise specified, references to "Section" refer to the applicable Section of this Exhibit.

In the event of a conflict between the provisions of this Service Agreement and the Master Agreement, the provisions of Section 2.3 of the Master Agreement shall control such conflict. As set forth in Section 2.3 of the Master Agreement, in the event of a conflict between the terms of this Exhibit and the terms of the Master Agreement, the terms of the Master Agreement shall prevail over the terms of this Exhibit.

3. **INSURANCE COVERAGES AND LIMITS**

During the Term of the Agreement and for a period of at least one year thereafter, Provider and each Provider Agent that provides or performs any of the Services shall maintain and keep in force, at its own expense and without limiting its indemnity obligations as set forth in Section 20 of the Master Agreement, the insurance coverages and limits set forth below, in accordance with the provisions of Section 21.1 of the Master Agreement:

(a) Workers' compensation insurance, with statutory limits as required by the various Laws and regulations applicable to the employees of Provider and any Provider Agent that provides or performs any of the Services;

(b) Employer's liability insurance, for employee bodily injuries and deaths, with a limit of [* * *] each accident. Umbrella or excess liability insurance may be used to satisfy the limit requirement in this Section 3(b). Such umbrella or excess liability policy shall follow the form of the primary coverage set forth herein, exceed the underlying policy without gaps in limits and provide coverage as broad as the underlying insurance coverage;

(c) Commercial general liability insurance, covering claims for bodily injury, death and property damage, including premises and operations, independent contractors, products, services and completed operations (as applicable to the Services), personal injury, contractual and property damage liability coverages, with limits as follows: [* * *] each occurrence for bodily injury, death and property damage and [* * *] in the aggregate. Umbrella or excess liability insurance may be used to satisfy the limit requirement in this Section 3(c). Such umbrella or excess liability policy shall follow the form of the primary coverage set forth herein, exceed the underlying policy without gaps in limits and provide coverage as broad as the underlying insurance coverage;

(d) Comprehensive automobile liability insurance, covering owned, non-owned and hired vehicles, with limits as follows: [* * *] combined single limit for bodily injury, death and property damage per occurrence. Umbrella or excess liability insurance may be used to satisfy the limit requirements in this Section 3(d). Such umbrella or excess liability policy shall follow the form of the primary coverage set forth herein, exceed the underlying policy without gaps in limits and provide coverage as broad as the underlying insurance coverage;

(e) All-risk property insurance, on a replacement cost basis, covering the real and personal property of Provider which Provider is obligated to insure by the Agreement; such real and personal property may include buildings, equipment, furniture, fixtures and supply inventory;

(f) Professional liability and technology errors and omissions insurance (including cyber-security and privacy liability coverage) (collectively, "E&O Coverage") covering liability for all loss or damages arising out of the Services provided by Provider or any Provider Agent under the Agreement, with a limit of [* * *] per claim and annual aggregate. All coverage under this Section 3(f) shall comply with the following requirements:

The retroactive coverage date shall be no later than the retroactive date in effect for Provider's current professional liability policy or technology errors and omissions policy (or any other policy providing cyber-security and/or privacy liability coverage). The policy shall be a "claims made" policy. Provider shall maintain an extended reporting period or procure "tail" coverage providing that claims first made and reported to the carrier within two years after termination of the Agreement will be deemed to have been made during the policy period.

The E&O Coverage shall be written as primary with respect to any insurance issued directly to or maintained by Customer or Customer Group. The E&O Coverage must not include any exclusion for contractual liability arising under this Agreement or other agreements entered into by Customer or Customer Group, or otherwise exclude cyber-security or privacy liability or other risks arising out of Provider's or any Provider Agent's Services under the Agreement; and

(g) Comprehensive crime insurance covering dishonest acts of employees, agents, contractors and subcontractors; such insurance to be written for limits of [* * *] and include Customer as a joint loss payee.

Exhibit 21.1

Sabre Corporation - List of Subsidiaries

The following are subsidiaries of Sabre Corporation as of December 31, 2015 and the states or jurisdictions in which they are organized. Except as otherwise specified, in each case Sabre Corporation owns, directly or indirectly, all of the voting securities of each subsidiary.

Legal Name of Subsidiary	Jurisdiction of Incorporation or Organization	% of Voting Interest Directly or Indirectly Held (If Not Wholly-owned)
Abacus Bangladesh NMC Limited	Bangladesh	49%
Abacus Distribution Systems (Cambodia) Private Limited	Cambodia	
Abacus International Lao Co. Ltd.	Lao People's Democratic Republic	40%
Airline Technology Services Mauritius Ltd.	Mauritius	
Asiana Sabre Inc.	Republic of Korea	20%
Cordex Computer Services Limited	United Kingdom	
EB2 International Limited	United Kingdom	
EB2 International Pty Ltd	Australia	
E-Beam Limited	United Kingdom	
Elektroniczne Systemy Sprzedazy Sp. ZO.O.	Poland	40%
First Option Hotel Reservations Limited	United Kingdom	
FlightLine Data Services, Inc.	Georgia	
Gesellschaft Zur Entwicklung und Vermarktung Interaktiver Tourismusanwendungen mbH	Germany	26%
GetThere Inc.	Delaware	
GetThere L.P.	Delaware	
Global Travel Broker, S.L.	Spain	
Globepost Limited	United Kingdom	
Holiday Autos Broker S.L.	Spain	
Holiday Service GmbH	Germany	
Last Minute Network Limited	United Kingdom	
Last Minute Network Limited	Ireland	
Lastminute (Cyprus) Limited	Cyprus	
Lastminute Network, S.L.	Spain	
Lastminute S.A.S.	France	
lastminute.com GmbH	Germany	
lastminute.com Holdings, Inc.	Delaware	
lastminute.com Limited	United Kingdom	
lastminute.com LLC	Delaware	
Lastminute.com Overseas Holdings Limited	United Kingdom	
Lastminute.com S.R.L.	Italy	
Lastminute.com Theatrenow Limited	United Kingdom	
Leisure Cars (Schweiz) GmbH	Switzerland	
Leisure Cars Australia Pty Ltd	Australia	
Leisure Cars European Services GmbH	Switzerland	
Leisure Cars France S.A.S.	France	
Leisure Cars GmbH	Germany	
Leisure Cars Group Limited	United Kingdom	
Leisure Cars Holdings Limited	United Kingdom	

Legal Name of Subsidiary	Jurisdiction of Incorporation or Organization	% of Voting Interest Directly or Indirectly Held (If Not Wholly-owned)
Leisure Cars International Limited	United Kingdom	
Leisure Cars Italia S.R.L.	Italy	
Leisure Cars Middle East Limited	British Virgin Islands	
Leisure Cars Nordic AB	Norway	
Leisure Cars Nordic AS	Norway	
Leisure Cars U.K. and Ireland Limited	United Kingdom	
LeisureOnRoad, Unipessoal Lda	Portugal	
LM Travel Services Ltd	United Kingdom	
Moneydirect Americas, Inc.	Delaware	50%
Moneydirect Limited	Ireland	50%
Online Travel Corporation Limited	United Kingdom	
Online Travel Services Ltd	United Kingdom	
OTBE Group Services Limited	United Kingdom	
OTC Travel Management	United Kingdom	
PRISM Group, Inc.	Maryland	
PRISM Technologies, LLC	New Mexico	
SST Finance, Inc.	Delaware	
SST Holding, Inc	Delaware	
Sabre Australia Technologies I Pty Limited	Australia	
Sabre (Australia) Pty Ltd.	Australia	
Sabre (Thailand) Holdings LLC	Delaware	
Sabre Airline Solutions GmbH	Germany	
Sabre AS (Luxembourg) S.a r.l.	Luxembourg	
Sabre Asia Pacific Pte. Ltd.	Singapore	
Sabre Austria GmbH	Austria	
Sabre Belgium SA	Belgium	
Sabre Bulgaria AD	Bulgaria	20%
Sabre China Sea Technologies Ltd.	Labuan	
Sabre Colombia Ltd.	Columbia	
Sabre Computer Reservierungssystem GmbH	Austria	
Sabre Danmark ApS	Denmark	
Sabre Decision Technologies International, LLC	Delaware	
Sabre Deutschland Marketing GmbH	Germany	
Sabre Digital Limited	United Kingdom	
Sabre Dynamic Argentina SRL	Argentina	
Sabre EMEA Marketing Limited	United Kingdom	
Sabre Espana Marketing, S.A.	Spain	
Sabre Europe Management Services Ltd.	United Kingdom	
Sabre Finance (Luxembourg) S.a.r.l.	Luxembourg	
Sabre France Sarl	France	
Sabre GLBL Inc.	Delaware	
Sabre Global Services S.A.	Uruguay	
Sabre Headquarters, LLC	Delaware	
Sabre Hellas S.A.	Greece	
Sabre Holdings (Luxembourg) S.a.r.l.	Luxembourg	
Sabre Holdings Corporation	Delaware	

Legal Name of Subsidiary	Jurisdiction of Incorporation or Organization	% of Voting Interest Directly or Indirectly Held (If Not Wholly-owned)
Sabre Holdings GmbH	Germany	
Sabre Iceland ehf.	Iceland	
Sabre Informacion S.A. de C.V.	Mexico	
Sabre International (Bahrain) W.L.L.	Bahrain	
Sabre International (Luxembourg) S.a.r.l.	Luxembourg	
Sabre International B.V.	Luxembourg	
Sabre International Holdings, LLC	Delaware	
Sabre International Newco, Inc.	Delaware	
Sabre International, LLC.	Delaware	
Sabre Investments, Inc.	Delaware	
Sabre Ireland Limited	Ireland	
Sabre Ireland Limited Partnership	Ireland	
Sabre Israel Travel Technologies LTD.	Israel	
Sabre Italia S.r.l.	Italy	
Sabre Limited	New Zealand	
Sabre Marketing Nederland B.V.	Netherlands	
Sabre Marketing Pte. Ld.	Singapore	
Sabre Mexico LLC	Delaware	
Sabre Norge AS	Norway	
Sabre Pakistan (Private) Limited	Pakistan	
Sabre Polska Sp. Z.o.o.	Poland	
Sabre Portugal Servicios Lda	Portugal	
Sabre Rocade AB	Sweden	
Sabre Rocade Assist AB	Sweden	
Sabre Seyahat Dagitim Sisternleri A.S.	Turkey	60%
Sabre Sociedad Technologica S.A. de C.V.	Mexico	
Sabre South Pacific I	Australia	
Sabre Suomi Oy	Finland	
Sabre Sverige AB	Sweden	
Sabre Technology Enterprises II, Ltd.	Cayman Islands	
Sabre Technology Enterprises, Ltd.	Cayman Islands	
Sabre Technology Holdings Pte. Ltd.	Singapore	
Sabre Technology Holland II B.V.	Netherlands	
Sabre Travel International Limited	Ireland	
Sabre Travel Network (Australia) Pty Limited	Australia	
Sabre Travel Network (Central Asia) LLP	Kazakhstan	
Sabre Travel Network (Hong Kong) Limited	Hong Kong	
Sabre Travel Network Egypt LLC	Egypt	60%
Sabre Travel Network (India) Private Limited	India	
Sabre Travel Network (Malaysia) Sdn. Bhd.	Malaysia	
Sabre Travel Network (New Zealand) Limited	New Zealand	
Sabre Travel Network (Singapore) Pte. Ltd.	Singapore	
Sabre Travel Network (Thailand) Ltd.	Thailand	
Sabre Travel Network Lanka (Private) Limited	Sri Lanka	60%
Sabre Travel Network Middle East W.L.L.	Bahrain	60%
Sabre Travel Network Pakistan (Private) Limited	Pakistan	30%

Legal Name of Subsidiary	Jurisdiction of Incorporation or Organization	% of Voting Interest Directly or Indirectly Held (If Not Wholly-owned)
Sabre Travel Network Romania S.R.L.	Romania	
Sabre Travel Network Southern Africa (Proprietary) Limited	South Africa	
Sabre Travel Technologies (Private) Limited	India	
Sabre UK Marketing Ltd.	United Kingdom	
Sabre Ukraine Limited	United Kingdom	30%
Sabre Zenon Cyprus Limited	Cyprus	
SabreMark G.P., LLC	Delaware	
SabreMark Limited Partnership	Delaware	
Secret Hotels Ltd.	United Kingdom	
Secret Hotels2 Ltd	United Kingdom	
Secret Hotels3 Ltd	United Kingdom	
Secret Hotels4 Ltd	United Kingdom	
Switch Automated Booking Services Co WLL	Kuwait	49%
Taskbrook Limited	United Kingdom	
TG India Holdings Company	Cayman Islands	
TG India Management Company	Cayman Islands	
The Destination Group Ltd	United Kingdom	
The Sabre Holdings Foundation, Inc.	Delaware	
Travelbargains Ltd	United Kingdom	
Travelcoast Ltd	United Kingdom	
Travelocity Global Technologies Private Limited	India	
Travelprice Italia S.R.L	Italy	
Travel Dormant B.V.	Netherlands	
TVL Australia Pty Ltd.	Australia	
TVL Common, Inc.	Delaware	
TVL Europe	United Kingdom	
TVL GmbH	Germany	
TVL Holdings I, LLC	Delaware	
TVL Holdings, Inc.	Delaware	
TVL International B.V.	Netherlands	
TVL LLC	Delaware	
TVL LP	Delaware	
TVL Nordic AB	Sweden	
TVL Nordic ApS	Denmark	
TVL Nordic AS	Norway	
TVL Sabre GmbH	Germany	
TVL Services Canada Ltd.	Canada	
TVL Travel Limited	United Kingdom	
TVLY S.R.L.	Argentina	
Viva Travel Dun Laoghaire	Ireland	
Voyages Sur Mesures S.A.S.	France	
Zuji Holdings Ltd.	Cayman Islands	

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-3 No. 333-204267) and related Prospectus of Sabre Corporation, and
(2) Registration Statement (Form S-8 No. 333-196056) pertaining to the Sovereign Holdings, Inc. Management Equity Incentive Plan, Sovereign Holdings, Inc. 2012 Management Equity Incentive Plan, and the Sabre Corporation 2014 Omnibus Incentive Compensation Plan

of our report dated February 19, 2016, with respect to the consolidated financial statements and schedule of Sabre Corporation, and the effectiveness of internal control over financial reporting of Sabre Corporation, included in this Annual Report (Form 10-K) for the year ended December 31, 2015.

/s/ Ernst & Young LLP

Dallas, Texas
February 19, 2016

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Tom Klein, certify that:

1. I have reviewed this annual report on Form 10-K of Sabre 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 fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent 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: February 19, 2016

By: /s/ Tom Klein
Tom Klein
Chief Executive Officer
(principal executive officer of the registrant)

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Richard A. Simonson, certify that:

1. I have reviewed this annual report on Form 10-K of Sabre 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 fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent 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: February 19, 2016

By: /s/ Richard A. Simonson
Richard A. Simonson
Chief Financial Officer
(principal financial officer of the registrant)

Exhibit 32.1

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

The undersigned, the Chief Executive Officer of Sabre Corporation, hereby certifies that to his knowledge, on the date hereof:

a. The Form 10-K of Sabre Corporation for the year ended December 31, 2015 (the "Report"), filed on the date hereof with the Securities and Exchange Commission fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

b. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Sabre Corporation.

Date: February 19, 2016

By: /s/ Tom Klein

Tom Klein

Chief Executive Officer

(principal executive officer of the registrant)

This certification accompanies the Form 10-K to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Sabre Corporation under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-K), irrespective of any general incorporation language contained in such filing.

Exhibit 32.2

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

The undersigned, the Chief Financial Officer of Sabre Corporation, hereby certifies that to his knowledge, on the date hereof:

a. The Form 10-K of Sabre Corporation for the year ended December 31, 2015 (the "Report"), filed on the date hereof with the Securities and Exchange Commission fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

b. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Sabre Corporation.

Date: February 19, 2016

By: /s/ Richard A. Simonson

Richard A. Simonson
Chief Financial Officer
(principal financial officer of the registrant)

This certification accompanies the Form 10-K to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Sabre Corporation under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-K), irrespective of any general incorporation language contained in such filing.