

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

**Watco Companies, L.L.C.
Watco Finance Corp.**

Offer to Purchase for Cash Any and All of Our Outstanding 6.500% Senior Notes due 2027

The Offer (as defined herein) will expire at 5:00 p.m., New York City time, on July 17, 2024, unless extended or terminated (such time and date, as the same may be extended or terminated by us in our sole discretion subject to applicable law, the “Expiration Date”). Holders (as defined herein) of Notes (as defined herein) must validly tender (or deliver a properly completed and duly executed Notice of Guaranteed Delivery (as defined herein)) and not validly withdraw their Notes at or prior to the Expiration Date in order to be eligible to receive the Consideration (as defined herein). Tendered Notes may be withdrawn at any time (i) at or prior to the earlier of (x) the Expiration Date and (y) in the event that the Offer is extended, the tenth business day after commencement of the Offer, and (ii) after the 60th business day after commencement of the Offer if for any reason the Offer has not been consummated within 60 business days after commencement (such time and date, as the same may be extended by us in our sole discretion, the “Withdrawal Deadline”), but may not thereafter be validly withdrawn, unless otherwise required by applicable law. The Offer is being made upon the terms and subject to the conditions set forth in this offer to purchase (as it may be amended or supplemented from time to time, the “Offer to Purchase”) relating to the Notes and the accompanying notice of guaranteed delivery (as it may be amended or supplemented from time to time, the “Notice of Guaranteed Delivery”). There is no letter of transmittal for the Offer.

| Series of Notes | CUSIP Numbers ⁽¹⁾ | Aggregate Principal Amount Outstanding | U.S. Treasury Reference Security ⁽²⁾ | Bloomberg Reference Page ⁽²⁾ | Fixed Spread ⁽²⁾ |
|------------------------------|------------------------------|--|---|---|-----------------------------|
| 6.500% Senior Notes due 2027 | 941130AB2/ U94127AB0 | \$600,000,000 | 2.875% U.S. Treasury due June 15, 2025 | FIT3 | 0 bps |

- (1) Neither the Company, the Dealer Manager, the Tender and Information Agent, nor the Trustee shall be held responsible for the selection or use of the CUSIP numbers, and no representation is made as to the correctness or accuracy of the CUSIP numbers listed in this Offer to Purchase or printed on the Notes. They are provided solely for the convenience of Holders of the Notes.
- (2) The consideration (the “Consideration”) payable per \$1,000 principal amount of Notes validly tendered and accepted for purchase will be based on the fixed spread specified in the table above (the “Fixed Spread”), plus the yield to maturity of the U.S. Treasury Reference Security (the “Reference Yield”) based on the bid-side price of the U.S. Treasury Reference Security specified above (the “Reference Page”) at 11:00 a.m., New York City time, on July 17, 2024 (such date as it may be extended, the “Price Determination Date”). The sum of the Fixed Spread and the Reference Yield is referred to as the “Repurchase Yield.” The Consideration does not include Accrued Interest (as defined herein), which will be paid on Notes accepted for purchase by us as described herein. The formula for determining the Consideration and Accrued Interest is set forth on Annex A.

The consummation of the Offer and the Company’s obligation to accept for payment, and to pay for, Notes validly tendered (and not validly withdrawn) pursuant to the Offer are subject to the satisfaction of or waiver of certain conditions, including the Financing Condition and the General Conditions (as defined below), set forth in “The Offer—Conditions to the Offer”).

THIS OFFER TO PURCHASE AND THE NOTICE OF GUARANTEED DELIVERY CONTAIN CERTAIN IMPORTANT INFORMATION THAT SHOULD BE READ BEFORE ANY DECISION IS MADE WITH RESPECT TO THE OFFER.

The Dealer Manager for the Offer is:

Wells Fargo Securities

The date of this Offer to Purchase is July 8, 2024

Watco Companies, L.L.C., a Delaware limited liability company, and its subsidiary Watco Finance Corp., a Delaware corporation (together, “Watco,” the “Company,” “we” or “us”), hereby offer (the “Offer”) holders (each a “Holder” and collectively, the “Holders”), on the terms and subject to the conditions set forth in this Offer to Purchase, to purchase for cash any and all of the 6.500% Senior Notes due 2027 (the “Notes”) issued by the Company as set forth in the table on the front cover of this Offer to Purchase. Any Notes that are accepted for purchase by us will be retired and canceled. The Offer is open to all registered Holders of the Notes. The Offer may be amended, extended, or terminated by us in our sole discretion subject to applicable law.

Our obligation to accept for purchase, and to pay for, Notes that are validly tendered, including through the Guaranteed Delivery Procedures (as defined herein), and not validly withdrawn pursuant to the Offer is conditioned on the satisfaction of certain conditions that we may waive if they are not satisfied. The Offer is not conditioned on any minimum amount of Notes being tendered.

Notes that are not purchased by the Company in the Offer, if any, will remain outstanding following the Offer under the Indenture, dated as of June 18, 2020 (as amended and supplemented to the date hereof, “*Indenture*”) by and among the Company, the guarantors party thereto and Computershare Trust Company, N.A., as successor to Wells Fargo Bank, National Association, as trustee under the Indenture (the “*Trustee*”), relating to the Notes. Following consummation or termination of the Offer, the Company and/or its affiliates reserve the right to purchase additional Notes not purchased by the Company in the Offer, if any, through open market purchases, privately negotiated transactions, one or more additional tender offers, exchange offers or otherwise, on such terms and at such prices as they may determine, which may be more or less than the prices to be paid pursuant to the Offer and may be for cash or other consideration. Nothing contained in the Offer will prevent us from exercising our rights under the Indenture to defease or satisfy or otherwise discharge our obligations with respect to the Notes by depositing cash or other securities with the Trustee in accordance with the terms of the Indenture.

If a Holder desires to tender Notes and (1) cannot comply with the procedure for book-entry transfer or (2) cannot deliver the other required documents to the Tender and Information Agent (as defined herein) by the Expiration Date, such Holder must tender Notes according to the Guaranteed Delivery Procedures described under “The Offer—Procedure for Tendering Notes—Guaranteed Delivery Procedures.”

The Consideration payable per \$1,000 principal amount of Notes validly tendered and accepted for purchase will be based on the fixed spread specified on the cover page of this Offer to Purchase (the “*Fixed Spread*”), plus the yield to maturity of the U.S. Treasury Reference Security (the “*Reference Yield*”) based on the bid-side price of the U.S. Treasury Reference Security specified on the cover page (the “*Reference Page*”) at 11:00 a.m., New York City time, on July 17, 2024 (such date as it may be extended, the “*Price Determination Date*”). The sum of the Fixed Spread and the Reference Yield is referred to as the “*Repurchase Yield*.” The Consideration does not include Accrued Interest, which will be paid on Notes accepted for purchase by us as described herein. The formula for determining the Consideration and Accrued Interest is set forth on Annex A.

In addition to the Consideration, Holders of Notes accepted for purchase pursuant to the Offer, including Notes accepted pursuant to the Guaranteed Delivery Procedures described herein, will also receive accrued and unpaid interest on those Notes from the last interest payment date to, but not including, the Settlement Date (as defined herein) (“*Accrued Interest*”). See “The Offer—Consideration.”

Subject to the terms and conditions of the Offer, the consideration for each \$1,000 principal amount of Notes validly tendered, including through the Guaranteed Delivery Procedures, and not validly withdrawn and accepted for purchase pursuant to the Offer will be the Consideration calculated as described above and per the formula in Annex A. Tenders of Notes submitted after the Expiration Date will not be valid, unless the Guaranteed Delivery Procedures are followed.

We will purchase all Notes that have been validly tendered at or prior to the Expiration Date and not validly withdrawn at or prior to the Withdrawal Deadline and accepted for purchase, including Notes tendered through Guaranteed Delivery Procedures, subject to all conditions to the Offer having been satisfied or waived by us, on the third business day after the Expiration Date, which is expected to be July 22, 2024 unless extended (the “*Settlement Date*”).

Holders are advised to check with any broker, dealer, commercial bank, trust company or other nominee or intermediary through which they hold Notes for the deadline by when such nominee or intermediary would require to receive instructions from a Holder in order for that Holder to be able to participate in, or (in the limited circumstances in which withdrawals are permitted) withdraw their instruction to participate in, the Offer. The deadlines set by any such nominee or intermediary and DTC (as defined herein) will be earlier than the relevant deadlines specified in this Offer to Purchase.

Tenders of Notes may be validly withdrawn at any time at or prior to the Withdrawal Deadline, but unless otherwise required by applicable law, may not be validly withdrawn thereafter. For the withdrawal of a tendered Note to be valid, such withdrawal must comply with the procedures set forth in “The Offer—Withdrawal of Tenders.” The Company may extend the Withdrawal Deadline in its sole discretion.

NONE OF THE COMPANY, THE TENDER AND INFORMATION AGENT, THE DEALER MANAGER OR THE TRUSTEE (IN ANY OF ITS CAPACITIES) (EACH AS DEFINED HEREIN) (NOR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES OR AFFILIATES) MAKES ANY RECOMMENDATION AS TO WHETHER HOLDERS SHOULD TENDER THEIR NOTES PURSUANT TO THE OFFER, AND NO ONE HAS BEEN AUTHORIZED BY ANY OF THEM TO MAKE SUCH A RECOMMENDATION. HOLDERS MUST MAKE THEIR OWN DECISIONS AS TO WHETHER TO TENDER THEIR NOTES, AND, IF SO, THE PRINCIPAL AMOUNT OF NOTES TO TENDER.

If you do not tender your Notes or if you tender Notes that are not accepted for purchase, such Notes will remain outstanding. If we consummate the Offer, the applicable trading market for your outstanding Notes may be significantly more limited. For a discussion of this and other risks, see “Consequences to Non-Tendering and Tendering Holders.”

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IMPORTANT INFORMATION

The Notes are represented by one or more global certificates registered in the name of Cede & Co., the nominee of The Depository Trust Company (“DTC”). DTC is the only registered holder of the Notes. DTC facilitates the clearance and settlement of securities transactions through electronic book-entry changes in accounts of DTC participants. DTC participants include securities brokers and dealers, banks, trust companies, clearing corporations and other organizations.

Unless the context otherwise requires, all references in this Offer to Purchase to a “Holder” or “Holder of the Notes” include:

1. each person who is shown in the records of DTC as a Holder of the Notes (also referred to as “Direct Participants” and, each, a “Direct Participant”);
2. any broker, dealer, commercial bank, trust company or other nominee or intermediary that holds Notes; and
3. each beneficial owner of Notes holding such Notes, directly or indirectly, in accounts in the name of a Direct Participant or other nominee or intermediary acting on the beneficial owner’s behalf,

except that for the purposes of any payment to a Holder pursuant to the Offer of (i) the Consideration and (ii) Accrued Interest, to the extent the beneficial owner of the relevant Notes is not a Direct Participant, such payment will only be made by DTC to the relevant Direct Participant. The payment of (i) the Consideration and (ii) Accrued Interest by or on behalf of the Company to DTC will satisfy the obligations of the Company in respect of the payment for the Notes purchased in the Offer.

If a Holder decides to tender Notes pursuant to the Offer, the Holder must arrange for a Direct Participant to electronically transmit an electronic Agent’s Message (as defined herein) through DTC’s Automated Tender Offer Program (“ATOP”), for which the transaction will be eligible. **There is no letter of transmittal for the Offer.**

If a Holder desires to tender Notes and (1) cannot comply with the procedure for book-entry transfer or (2) cannot deliver the other required documents to the Tender and Information Agent by the Expiration Date, such Holder must tender Notes according to the Guaranteed Delivery Procedures described under “The Offer— Procedure for Tendering Notes—Guaranteed Delivery Procedures.”

Holders are advised to check with any broker, dealer, commercial bank, trust company or other nominee or intermediary through which they hold Notes for the deadline by when such nominee or intermediary would require to receive instructions from a Holder in order for that Holder to be able to participate in, or (in the limited circumstances in which withdrawals are permitted) withdraw their instruction to participate in, the Offer. **The deadlines set by any such nominee or intermediary and DTC for the submission and withdrawal of an Agent’s Message through DTC’s ATOP will be earlier than the relevant deadlines specified in this Offer to Purchase.**

For more information regarding the procedures for tendering your Notes, see “The Offer—Procedure for Tendering Notes.”

Any questions or requests for assistance or for additional copies of this Offer to Purchase, the Notice of Guaranteed Delivery or related documents may be directed to the Tender and Information Agent at its telephone numbers set forth on the last page of this Offer to Purchase. A Holder may also contact the Dealer Manager (as defined herein) at its telephone number set forth on the last page of this Offer to Purchase or such Holder’s broker, dealer, commercial bank, trust company or other nominee or intermediary for assistance concerning the Offer. Beneficial owners should contact their broker, dealer, commercial bank, trust company or other nominee or intermediary for assistance concerning the Offer.

On the terms and subject to the conditions of the Offer, we will notify the Tender and Information Agent promptly after the Expiration Date as to which Notes tendered are accepted (to the extent the same may be waived) by us for purchase pursuant to the Offer. Provided that the conditions to the Offer have been satisfied or waived by

us, all applicable Holders whose Notes are accepted for purchase by the Company will receive payment of (i) the Consideration and (ii) Accrued Interest on the Settlement Date. The Settlement Date is expected to occur within three business days of the Expiration Date and is currently expected to occur on July 22, 2024.

Our obligation to accept for purchase, and to pay for, Notes that are validly tendered, including through the Guaranteed Delivery Procedures, and not validly withdrawn pursuant to the Offer is conditioned on the satisfaction or waiver by the Company of the conditions to the Offer set forth in “The Offer—Conditions to the Offer.”

The Company expressly reserves the right, in its sole discretion, subject to applicable law, to (i) terminate the Offer prior to the Expiration Date and not accept for purchase any Notes not theretofore accepted for purchase, (ii) waive any and all of the conditions to the Offer, (iii) extend the Withdrawal Deadline or the Expiration Date for the Offer, (iv) delay or accelerate accepting the Notes pursuant to the Offer, subject to Rule 14e-1(c) under the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), or (v) otherwise amend the terms of the Offer.

Any extension, termination or amendment will be followed as promptly as practicable by a public announcement thereof, such announcement in the case of an extension to be issued no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Withdrawal Deadline or the Expiration Date (as the case may be). The foregoing rights are in addition to the Company’s right to delay acceptance for purchase of Notes tendered pursuant to the Offer or the payment for Notes accepted for purchase in order to comply in whole or in part with any applicable law, subject to Rule 14e-1(c) under the Exchange Act, which requires that an offeror pay the consideration offered or return the securities deposited by or on behalf of the holders thereof promptly after the termination or withdrawal of a tender offer.

In the event that the Offer is terminated prior to the Expiration Date, the Consideration will not be paid or become payable to Holders who have tendered their Notes in connection with the Offer. In any such event, any Notes previously tendered and not accepted for purchase pursuant to the Offer will be promptly returned to the tendering Holders.

Notes can be tendered only in accordance with the procedures described in “The Offer—Procedure for Tendering Notes.” Holders who do not participate in the Offer, or whose Notes are not accepted for purchase, will continue to hold their Notes immediately following the completion of the Offer.

THIS OFFER TO PURCHASE AND THE NOTICE OF GUARANTEED DELIVERY CONTAIN IMPORTANT INFORMATION WHICH SHOULD BE READ BEFORE A DECISION IS MADE WITH RESPECT TO THE OFFER.

This Offer to Purchase has not been filed with or reviewed by any federal, state or foreign securities commission or regulatory authority, nor has any such commission or authority passed upon the accuracy or adequacy of the Offer to Purchase. Any representation to the contrary is unlawful and may be a criminal offense. We have not authorized anyone to provide any information or make any representation other than that contained or incorporated by reference in this Offer to Purchase or other information to which we have referred you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This Offer to Purchase, the Notice of Guaranteed Delivery and related documents do not constitute an offer to buy or sell or the solicitation of an offer to buy or sell any Notes in any jurisdictions or in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities, blue sky or other laws require an offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of the Company by the Dealer Manager or one or more registered brokers or dealers licensed under the laws of such jurisdiction. Neither the delivery of this Offer to Purchase, the Notice of Guaranteed Delivery and related documents nor any purchase of Notes shall, under any circumstances, create any implication that the information contained herein or therein is current as of any time subsequent to the date of such information.

Notes that are not purchased by the Company in the Offer, if any, will remain outstanding following the Offer as permitted by the Indenture relating to the Notes. Following consummation or termination of the Offer, the Company and/or its affiliates reserve the right to purchase additional Notes not purchased by the Company in the Offer, if any, through open market purchases, privately negotiated transactions, one or more additional tender offers, exchange offers or otherwise, on such terms and at such prices as they may determine, which may be more or less than the prices

to be paid pursuant to the Offer and may be for cash or other consideration. Nothing contained in the Offer will prevent us from exercising our rights under the Indenture to defease or satisfy or otherwise discharge our obligations with respect to the Notes by depositing cash or other securities with the Trustee in accordance with the terms of the Indenture.

In this Offer to Purchase, the Company has used the convention of referring to all Notes that have been validly tendered, including through the Guaranteed Delivery Procedures, and not validly withdrawn as having been “validly tendered.” Any Notes validly withdrawn and not validly tendered again will be deemed to be not validly tendered for purposes of the Offer.

AVAILABLE INFORMATION AND INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

We are not currently subject to the periodic reporting and other information requirements of the Exchange Act. However, pursuant to the Indenture and so long as the Notes are outstanding, we have agreed to make available certain periodic information to Holders of the Notes as specified in Section 4.03 of the Indenture.

The following documents and reports previously made available by the Company to Holders of the Notes are hereby incorporated by reference and shall be considered to be a part of this Offer to Purchase:

- the Company's audited consolidated balance sheets as of December 31, 2023 and December 31, 2022, and the related audited consolidated statements of operations, comprehensive income, members' equity and cash flows for each of the years in the three-year period ended December 31, 2023 (including the footnotes thereto), together with the audit report thereon and Management's Discussion and Analysis of Financial Condition and Results of Operations related thereto.
- the Company's unaudited consolidated balance sheet as of March 31, 2024, and the related unaudited consolidated statements of operations, comprehensive income (loss), members' equity and cash flows for each of the three month periods ended March 31, 2024 and March 31, 2023 (including the footnotes thereto), together with the Management's Discussion and Analysis of Financial Condition and Results of Operations related thereto; and
- the Company's current reports dated February 23, 2024, as amended by Amendment No. 1 posted March 25, 2024, and July 8, 2024.

In addition, all documents and reports provided by the Company pursuant to Section 4.03 of the Indenture after the date of this Offer to Purchase and prior to the expiration or termination of the Offer shall be deemed to be incorporated herein by reference and shall be deemed to be a part hereof from the date of filing of such documents and reports. Any statement contained in a document or report incorporated or deemed to be incorporated herein by reference shall be deemed to be modified or superseded solely for purposes of this Offer to Purchase to the extent that a statement contained herein or in any subsequent document or report that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offer to Purchase.

Access to these documents is available at the following website: www.dfking.com/watco. Registration is required. Holders of Notes may also request a copy of these documents and reports, as well a copy of the Indenture and the Offering Memorandum under which the Notes were issued, at no cost, by writing or telephoning the Tender and Information Agent at the address or phone number on the last page.

We have not authorized anyone to provide any information or make any representation other than that contained or incorporated by reference in this Offer to Purchase or other information to which we have referred you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Offer to Purchase (including documents incorporated by reference herein) includes forward-looking statements. These forward-looking statements are identified as any statement that does not relate strictly to historical or current facts. They use words such as “anticipate,” “believe,” “intend,” “plan,” “project,” “forecast,” “strategy,” “position,” “continue,” “estimate,” “expect,” “may,” or the negative of those terms or other variations of them or comparable terminology. In particular, statements, express or implied, concerning future actions, conditions or events, future operating results, or the ability to generate revenues, income or cash flow, or to pay principal and interest on the notes are forward-looking statements. Forward-looking statements are not guarantees of performance. All statements other than statements of historical or current facts included in this Offer to Purchase that address activities, events, or developments that are expected, believed, or anticipated to occur or that may occur in the future are forward-looking statements.

Forward-looking statements are based on our current expectations and beliefs concerning future events affecting us, and are subject to uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control. Although we believe that the expectations reflected in our forward-looking statements are reasonable, we do not know whether our expectations will prove correct. Any or all of the forward-looking statements in this Offer to Purchase may turn out to be wrong. They can be affected by inaccurate assumptions or by known or unknown risks and uncertainties. There are a number of factors that could cause our actual results to differ materially from those indicated in these statements. We believe that these factors include, but are not limited to:

- general and industry economic conditions;
- conditions in the capital and credit markets;
- our ability to successfully integrate acquisitions;
- our relationships with Class I railroads and other connecting carriers;
- risks related to the geographic markets in which we operate, including weather conditions;
- our compliance with governmental regulation and legislative and regulatory developments;
- our ability to obtain necessary permits and leases to operate our business;
- our exposure to credit risk of our customers and counterparties;
- competitive pressures within our industries;
- risks related to climate change, including market and regulatory responses to climate change and related litigation;
- our compliance with environmental laws and regulations;
- our transportation of hazardous materials by rail;
- rising fuel costs;
- our dependence on management and key personnel;
- availability of government funding;
- our labor relations and the availability of qualified personnel;
- our reliance on a limited number of suppliers and fluctuations in the supply of components we use in our industries;
- risks related to operating in foreign countries;
- risks related to international trade policies;
- future acts of terrorism or war;
- our reliance on technology and technology improvements in our business;
- risks related to cyber-attacks and system disruptions;
- conflicts of interests among our limited number of equity holders and investors in the notes;
- risks related to epidemics, pandemics, and similar outbreaks of communicable diseases; and
- risks related to our joint venture investments;

The information set forth herein speaks only as of the date hereof, and the Company undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate may differ materially from those made in or suggested by the forward-looking statements contained or incorporated by reference in this Offer to Purchase. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate are consistent with the forward-looking statements contained in this Offer to Purchase or the documents incorporated herein by reference, those results or developments may not be indicative of results or developments in subsequent periods.

IMPORTANT DATES

Holders should note the following important times and dates relating to the Offer:

| <u>Date</u> | <u>Calendar Date and Time</u> | <u>Event</u> |
|--------------------------------|---|---|
| Launch Date | July 8, 2024 | The date on which we commenced the Offer by issuing a public announcement and delivering this Offer to Purchase to DTC. |
| Price Determination Date | 11:00 a.m., New York City time on July 17, 2024. | The date on which the pricing has been determined. |
| Expiration Date..... | 5:00 p.m., New York City time, on July 17, 2024, unless extended or terminated by us in our sole discretion subject to applicable law. | The deadline for Holders to tender Notes pursuant to the Offer in order to be eligible to receive the Consideration for Notes tendered. Tenders of Notes submitted after the Expiration Date will not be valid, unless the Guaranteed Delivery Procedures are followed. |
| Withdrawal Deadline..... | <p>5:00 p.m., New York City time, on July 17, 2024, unless extended or earlier terminated by us in our sole discretion.</p> <p>In addition, if the Offer is extended, the Withdrawal Deadline will be extended to the earlier of (a) the Expiration Date (as extended) and (b) the 10th business day after commencement of the Offer. In addition, tendered Notes may be withdrawn at any time after the 60th business day after the commencement of the Offer if for any reason the Offer has not been consummated within 60 business days after commencement.</p> | The deadline for Holders to validly withdraw tenders of Notes. Tenders of Notes may not be validly withdrawn after the Withdrawal Deadline, unless otherwise required by applicable law. |
| Guaranteed Delivery Date..... | 5:00 p.m., New York City time, on the second business day after the Expiration Date, which is expected to be July 19, 2024, unless extended by us in our sole discretion subject to applicable law. | The deadline for Holders who, at or prior to the Expiration Date, deliver a Notice of Guaranteed Delivery and all other required documentation to the Tender and Information Agent (or comply with DTC's procedures applicable to guaranteed delivery) to validly tender Notes using the Guaranteed Delivery Procedures in order to be eligible to receive the Consideration and Accrued Interest on the Settlement Date. |
| Settlement Date | The Settlement Date is expected to be on July 22, 2024, the third | The date on which we will deposit with DTC, upon the direction of the Tender and Information Agent, the Consideration |

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| business day after the Expiration Date. | payable to Holders whose Notes are validly tendered and delivered, including through the Guaranteed Delivery Procedures, and not validly withdrawn and revoked at or prior to the Withdrawal Deadline, and accepted for purchase, plus Accrued Interest. Accrued Interest will cease to accrue on the Settlement Date for all Notes accepted in the Offer. |
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The Company may extend the Withdrawal Deadline in its sole discretion.

Notwithstanding any other provision of the Offer, the Company's obligation to accept for purchase and to pay for Notes validly tendered and not validly withdrawn pursuant to the Offer is subject to, and conditioned upon, the satisfaction or waiver of the Financing Condition and the General Conditions (as defined below in "The Offer—Conditions to the Offer"). The Company reserves the right, subject to applicable law, to waive any and all conditions to the Offer or amend the Offer in any respect.

If the Offer is terminated or withdrawn, Notes tendered pursuant to the Offer will promptly be returned to the tendering Holders.

SUMMARY

The following summary is provided for your convenience. This summary is not complete and is qualified entirely by reference to, and should be read in connection with, the information appearing elsewhere or incorporated by reference in this Offer to Purchase, the Notice of Guaranteed Delivery and any amendments or supplements hereto and thereto. It highlights important information in this Offer to Purchase and the Notice of Guaranteed Delivery, but does not describe all of the details of the Offer. Holders are urged to read the more detailed information set forth in this Offer to Purchase and the Notice of Guaranteed Delivery and any amendments or supplements hereto and thereto. Each undefined capitalized term used in this summary has the meaning set forth elsewhere in this Offer to Purchase.

The Company..... Watco Companies, L.L.C., a Delaware limited liability company, and Watco Finance Corp., a Delaware corporation (collectively, the “Company”).

| <i>The Notes</i> | Series of Notes | CUSIP Numbers ⁽¹⁾ | Aggregate Principal Amount Outstanding |
|------------------------|---------------------------------|------------------------------|--|
| | 6.500% Senior Notes due 2027 | 941130AB2/ U94127AB0 | \$600,000,000 |

(1) No representation is made as to the correctness or accuracy of the CUSIP numbers listed in this Offer to Purchase or printed on the Notes. They are provided solely for the convenience of Holders of the Notes.

The Offer We are offering to purchase for cash, on the terms and subject to the conditions set forth in this Offer to Purchase, the Notice of Guaranteed Delivery, and the Notes set forth in the table on the front cover of this Offer to Purchase.

Our obligation to accept for purchase, and to pay for, Notes that are validly tendered, including through the Guaranteed Delivery Procedures, and not validly withdrawn pursuant to the Offer is conditioned on the satisfaction or waiver by the Company of the General Conditions and Financing Condition (as defined below). However, the Offer is not conditioned on any minimum amount of Notes tendered. The Offer may be amended, extended or terminated individually by us in our sole discretion subject to applicable law.

Consideration The consideration for each \$1,000 principal amount of Notes tendered and accepted for purchase pursuant to the Offer will be determined in the manner described in this Offer to Purchase by reference to the Fixed Spread specified on the front cover of this Offer to Purchase plus the Reference Yield based on the bid-side price of the applicable U.S. Treasury Reference Security specified on the front cover of this Offer to Purchase as quoted on the Reference Page at 11:00 a.m., New York City time, on the Price Determination Date. The formula for determining the Consideration is set forth on Annex A.

Expiration Date The Offer will expire at 5:00 p.m., New York City time, on July 17, 2024, unless extended or terminated by us in our sole discretion subject to applicable law. Tenders of Notes submitted after the Expiration Date will not be valid unless the Guaranteed Delivery Procedures are followed.

Purpose of the Offer The purpose of the Offer is to acquire all outstanding Notes. The Company intends to fund the purchase of the Notes pursuant to the Offer with the proceeds of the New Notes Offering. We may exercise our right to optionally redeem any and all Notes not purchased by us in the Offer in accordance with the Indenture, but we are not obligated to do so. The Offer Documents do not constitute a notice of redemption of the Notes.

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|---|--|
| <i>Price Determination Date</i> | The Price Determination Date will occur at 11:00 a.m., New York City time, on July 17, 2024, unless extended. |
| <i>Guaranteed Delivery Date.....</i> | Holders who, at or prior to the Expiration Date, deliver a Notice of Guaranteed Delivery and all other required documentation to the Tender and Information Agent (or comply with DTC's (as defined below) procedures applicable to guaranteed delivery) must validly tender Notes using the Guaranteed Delivery Procedures by 5:00 p.m., New York City time, on the second business day after the Expiration Date, which is expected to be July 19, 2024, unless extended by us in our sole discretion subject to applicable law, in order to be eligible to receive the Consideration plus Accrued Interest on Settlement Date. |
| <i>Withdrawal Deadline.....</i> | The Withdrawal Deadline is 5:00 p.m., New York City time, on July 17, 2024, unless otherwise required by applicable law. In addition, if the Offer is extended, the Withdrawal Deadline will be extended to the earlier of (a) the Expiration Date (as extended) and (b) the 10th business day after commencement of the Offer. In addition, tendered Notes may be withdrawn at any time after the 60th business day after the commencement of the Offer if for any reason the Offer has not been consummated within 60 business days after commencement. Subject to applicable law, the Company may extend the Withdrawal Deadline. |
| <i>Settlement Date.....</i> | The Settlement Date is expected to occur within three business days following the Expiration Date, unless extended by us in our sole discretion, and is currently expected to occur on July 22, 2024. |
| <i>Acceptance and Payment; Source of Funds.....</i> | <p>On the Settlement Date, subject to the terms of the Offer and satisfaction or waiver of the conditions to the Offer set forth in "The Offer—Conditions to the Offer," we will (i) accept for purchase Notes validly tendered, including through the Guaranteed Delivery Procedures, and not validly withdrawn and (ii) promptly pay to DTC, upon the direction of the Tender and Information Agent, the Consideration plus Accrued Interest, for all of the Notes accepted for purchase.</p> <p>The Company intends to fund the purchase of the Notes pursuant to the Offer with the proceeds from the issuance of \$700,000,000 aggregate principal amount of senior notes due 2032. See "The Offer— Conditions to the Offer" and "Acceptance and Payment; Source of Funds".</p> |
| <i>Conditions to the Offer</i> | <p>Our obligation to accept for purchase, and to pay for, Notes that are validly tendered, including through the Guaranteed Delivery Procedures, and not validly withdrawn pursuant to the Offer, is conditioned on the satisfaction or waiver by the Company of the conditions applicable to the Offer set forth in "The Offer—Conditions to the Offer."</p> <p>Subject to applicable law, we expressly reserve the right, in our sole discretion, to terminate the Offer at any time.</p> |
| <i>Procedure for Tendering Notes.....</i> | See "The Offer—Procedure for Tendering Notes." For further information, call the Tender and Information Agent or the Dealer Manager or consult your broker, dealer, commercial bank, trust company or other nominee or intermediary for assistance. If your Notes are held by a broker, dealer, commercial bank, trust company or other nominee or intermediary, you must contact such nominee or intermediary if you desire to tender your Notes. If a Holder decides to tender Notes pursuant to the Offer, the Holder must arrange for a Direct Participant to electronically transmit an Agent's Message through DTC's ATOP, for which the transaction will be eligible. There is no letter of transmittal for the Offer. Notes |

may be tendered only in principal amounts equal to the authorized denominations set forth in “The Offer—Procedure for Tendering Notes—Minimum Tender Denomination.”

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| <i>Untendered or Unpurchased Notes.....</i> | We will return any tendered Notes that we do not accept for purchase to their tendering Holder without expense. Notes not tendered and Notes otherwise not purchased pursuant to the Offer will remain outstanding. If the Offer is consummated, the aggregate principal amount that remains outstanding of the Notes that is purchased in part in the Offer will be reduced. This may adversely affect the liquidity of and, consequently, the market price for the Notes that remain outstanding after consummation of the Offer. See “Consequences to Non-Tendering and Tendering Holders.” Notes that are not purchased by the Company in the Offer, if any, will remain outstanding following the Offer as permitted by the Indenture relating to the Notes. Following consummation or termination of the Offer, the Company and/or its affiliates reserve the right to purchase additional Notes not purchased by the Company in the Offer, if any, through open market purchases, privately negotiated transactions, one or more additional tender offers, exchange offers or otherwise, on such terms and at such prices as they may determine, which may be more or less than the prices to be paid pursuant to the Offer and may be for cash or other consideration. |
| <i>Certain U.S. Federal Income Tax Considerations.....</i> | For a discussion of certain U.S. federal income tax considerations of the Offer, see “Certain U.S. Federal Income Tax Considerations.” Holders should consult their tax advisers regarding the possible tax consequences under the laws of the jurisdictions that apply to them and to the sale of their Notes pursuant to the Offer. |
| <i>Other Purchases of Notes</i> | We and/or our affiliates may from time to time, after the consummation or termination of the Offer, purchase additional Notes or notes that are not subject to the Offer in the open market, in privately negotiated transactions, through tender offers, exchange offers or otherwise or we may redeem Notes or other notes pursuant to their terms. Any future purchases or redemptions may be on the same terms or on terms that are more or less favorable to Holders than the terms of the Offer. Any future purchases or redemptions by us and/or our affiliates will depend on various factors existing at that time. There can be no assurance as to which, if any, of these alternatives (or combinations thereof) we and/or our affiliates may choose to pursue in the future. Nothing contained in the Offer will prevent us from exercising our rights under the Indenture to defease or satisfy or otherwise discharge our obligations with respect to the Notes by depositing cash or other securities with the Trustee in accordance with the terms of the Indenture. |
| <i>Dealer Manager</i> | Wells Fargo Securities, LLC (the “ <i>Dealer Manager</i> ”) is serving as Dealer Manager in connection with the Offer. |
| <i>Tender and Information Agent..</i> | D.F. King & Co., Inc. |
| <i>Trustee</i> | Computershare Trust Company, N.A., as successor to Wells Fargo Bank, National Association, as trustee under the Indenture. |
| <i>Brokerage Commissions</i> | No brokerage commissions are payable by Holders to the Company, the Dealer Manager, the Tender and Information Agent or the Trustee. |

ABOUT THE COMPANY

Headquartered in Pittsburg, Kansas, we are a leading integrated transportation services provider with a broad set of capabilities. We provide short line railroad transportation services, terminal and port services and logistics solutions to over 3,500 customers across the U.S., Mexico, Canada and Australia. We own and operate a portfolio of transportation infrastructure assets across North America which includes being the second largest short line railroad operator (by mileage) and, according to our internal estimates, one of the largest bulk and break bulk terminal services providers. We generated total revenue and Pro forma Adjusted EBITDA of \$1,439 million and \$275 million, respectively, for the twelve months ended March 31, 2024.

- **Rail:** We provide short line railroad transportation services through a portfolio of 47 individual railroads with over 7,000 miles of track, more than 570 locomotives, approximately 4,520 railcars and 22 switching and other operations. In 2023, we moved more than 810,000 carloads for our diverse customer base at our short line railroads in North America. Short line railroads typically connect with Class I railroads providing an essential extension of rail network and supplying the critical first and last mile of service to the end customer. Because of their diverse operations and proximity to the customer, short lines offer a customized level of service allowing customers to maximize the benefits of rail, while also providing value to their Class I partners. We offer three general types of rail transport services: interchange, where freight is transported between a customer and another railroad, typically a Class I railroad; local, where freight both originates and terminates on the same line; and bridge, where freight is transported between one railroad and another. The Rail segment accounted for 48% of our total operating revenues and 65% of our Segment-Level Adjusted EBITDA for the twelve months ended March 31, 2024.
- **Terminals and Ports:** We own or operate 75 terminal and port facilities and 11 mechanical repair operations. We provide numerous transportation-related services to our customers, including the safe and efficient loading or unloading of freight from rail to truck, pipeline, barge or vessel and vice versa. In addition, we also provide warehousing, stevedoring, truck delivery, inventory management and other logistical planning. Our services are provided under four types of agreements; minimum volume commitments, where the contract will state a minimum quantity required to be moved with any shortfall subject to a fee; requirements, where a customer is required to use our facilities if they are moving product based on certain stipulations of the agreement; fixed fee, where we earn a set fee regardless of quantity of product moved; and variable, where we earn fees based upon a providing a specified unit of service. The Terminals and Ports segment accounted for 25% of our total operating revenues and 32% of our Segment-Level Adjusted EBITDA for the twelve months ended March 31, 2024.
- **Logistics:** We operate a portfolio of 28 individual logistics offices that provide a service-based approach offering brokered freight solutions across any mode of transportation. Our logistics operations while independent, extend the reach of our physical rail and terminal and port operations, adding another opportunity to provide value to our customers. Revenue is generated from services including highway logistics, barge brokerage, rail logistics and fleet management services, intermodal, ocean and air management. The Logistics segment accounted for 28% of our total operating revenues and 3% of our Segment-Level Adjusted EBITDA for the twelve months ended March 31, 2024.

Watco Finance Corp. was initially formed for the sole purpose of serving as a co-issuer of the Notes. Watco Finance Corp. is also a guarantor of our credit facility and will be a co-issuer of the \$700,000,000 aggregate principal amount of senior notes due 2032 to be issued concurrently with the closing of the Offer (the “New Notes Offering”).

We maintain our principal executive offices at 315 W. 3rd St., Pittsburg, Kansas 66762. Our telephone number at such address is (620) 231-2230 and our website address is www.watco.com. Information on our website does not constitute a part of this Offer to Purchase.

THE OFFER

General

We are offering, subject to the terms and conditions of this Offer to Purchase and the Notice of Guaranteed Delivery, to purchase for cash the Notes validly tendered, including through the Guaranteed Delivery Procedures, and not validly withdrawn pursuant to the Offer on the Settlement Date.

The Offer is subject to the satisfaction or waiver, in the Company's sole discretion, of all of the applicable conditions set forth under "—Conditions to the Offer." Subject to compliance with applicable law, the Company reserves the right to extend the Expiration Date for the Offer from time to time for any reason and to terminate the Offer for any reason. See "—Expiration Date; Extensions; Amendments."

Notes purchased pursuant to the Offer will be paid for in same-day funds on the Settlement Date. See "—Acceptance and Payment; Source of Funds."

This Offer to Purchase and the Notice of Guaranteed Delivery will be "first published or sent to security holders" by the Company within the meaning of, and pursuant to, Rule 14e-1 promulgated under the Exchange Act, at or prior to 10:00 a.m., New York City time, on the date hereof. The Company will circulate a press release disclosing the basic terms of the Offer at or prior to 10:00 a.m., New York City time, on the date hereof. The Company will cause any press release in respect of the Offer to be disseminated through a widely disseminated news or wire service. The Company will (i) use commercially reasonable efforts to send via email a press release announcing the Offers to all investors subscribing to any corporate action emails or similar list maintained by or on behalf of the Company; (ii) use customary methods to expedite the dissemination of information concerning the Offer to beneficial holders of the Notes; and (iii) issue a press release promptly after the consummation of the Offer setting forth the results of the Offer.

Purpose of the Offer

The purpose of the Offer is to acquire all outstanding Notes. The Company intends to fund the purchase of the Notes pursuant to the Offer with the proceeds of the New Notes Offering. We may exercise our right to optionally redeem any and all Notes not purchased by us in the Offer in accordance with the Indenture, but we are not obligated to do so. The Offer Documents do not constitute a notice of redemption of the Notes.

Expiration Date; Extensions; Amendments

The Offer expires on the Expiration Date, which is currently expected to occur at 5:00 p.m., New York City time, on July 17, 2024, unless extended or terminated by us in our sole discretion subject to applicable law, and, in the case of any extension of the Expiration Date, will be such date to which the Expiration Date is extended. In addition, if the Offer is extended, the Withdrawal Deadline will be extended to the earlier of (a) the Expiration Date (as extended) and (b) the 10th business day after commencement of the Offer. In addition, tendered Notes may be withdrawn at any time after the 60th business day after the commencement of the Offer if for any reason the Offer has not been consummated within 60 business days after commencement. Holders wishing to receive the Consideration for their Notes must validly tender such Notes at or prior to the Expiration Date and not validly withdraw such Notes at or prior to the Withdrawal Deadline. Tenders of Notes submitted after the Expiration Date will not be valid unless the Guaranteed Delivery Procedures are followed.

If any condition to the Offer is not satisfied or waived by the Company prior to the Expiration Date, the Company expressly reserves the right to terminate the Offer prior to the Expiration Date and return the Notes tendered pursuant thereto. The Company expressly reserves the right, in its sole discretion, subject to applicable law, to (i) terminate the Offer prior to the Expiration Date and not accept for purchase any Notes not theretofore accepted for purchase, (ii) waive any and all of the conditions to the Offer, (iii) extend the Withdrawal Deadline or the Expiration Date, (iv) delay or accelerate accepting the Notes, subject to Rule 14e-1(c) under the Exchange Act or (v) otherwise amend the terms of the Offer. In the case of any such extension, termination or amendment of the Offer, the Company will give oral (confirmed in writing) or written notice to the Tender and Information Agent.

If the Offer is terminated at any time, any Notes tendered pursuant to the Offer and not previously accepted and purchased will be promptly returned to the tendering Holders. In the event of a termination of the Offer, the Consideration will not be paid or become payable on the Notes. There can be no assurance that we will exercise our right to extend, terminate or amend the Offer. Irrespective of any amendment to the Offer, all Notes previously tendered pursuant to the Offer and not accepted for purchase will remain subject to the Offer and may be accepted thereafter for purchase by us, except when such acceptance is prohibited by law.

We may extend the Withdrawal Deadline or the Expiration Date for any purpose, including, without limitation, to permit the satisfaction or waiver of a condition to the Offer. Any extension, termination or amendment will be followed as promptly as practicable by a public announcement thereof, such announcement in the case of an extension to be issued no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Withdrawal Deadline or the Expiration Date. Such announcement will state that we are extending such date for a specified period or on a daily basis.

Without limiting the manner in which we may choose to make a public announcement of any extension, amendment or termination of the Offer, we will not have any obligation to publish, advertise or otherwise communicate any such public announcement, other than by issuing a press release or giving notice to the Tender and Information Agent and the Dealer Manager.

If the Consideration is increased or the principal amount of Notes subject to the Offer is decreased, the Offer will remain open at least five business days from the date the Company first gives notice to Holders of such increase or decrease. If the Company makes any other material change to the terms of the Offer, the Company will extend the Offer for at least three business days, if the Offer would otherwise expire during such period. The Company will announce any such change in a press release issued at least three business days, or in the case of a change in the Consideration, at least five business days, prior to the expiration of the Offer and prior to 10:00 a.m., New York City time, on the first day of such three- or five-business day period, as applicable. During any extension of the Offer, all Notes previously tendered will remain subject to the Offer unless validly withdrawn at or prior to the Withdrawal Deadline. Any Notes that are tendered may be withdrawn at any time prior to the Withdrawal Deadline. See “—Withdrawal of Tenders.”

Consideration

Subject to the terms and conditions of the Offer, the Consideration for each \$1,000 principal amount of Notes validly tendered, including through the Guaranteed Delivery Procedures, and accepted for purchase pursuant to the Offer will be calculated in accordance with Annex A hereto, so as to result in a price as of the Settlement Date based on a yield to the June 15, 2025 optional redemption call date for the Notes (the “Par Call Date”), equal to the sum of:

- the Reference Yield based on the bid-side price of the U.S. Treasury Reference Security set forth on the front cover of this Offer to Purchase, as quoted on the Reference Page at 11:00 a.m., New York City time, on the Price Determination Date, plus
- the Fixed Spread set forth on the front cover of this Offer to Purchase.

This sum is referred to in this Offer to Purchase as the “*Repurchase Yield*.”

Specifically, the Consideration offered per \$1,000 principal amount of Notes validly tendered and accepted for purchase will equal:

- the present value per \$1,000 principal amount of all remaining payments of principal and interest to the Par Call Date on the Notes, discounted to the Settlement Date in accordance with the formula set forth on Annex A hereto, at a discount rate equal to the Repurchase Yield, minus
- Accrued Interest up to, but not including, the Settlement Date per \$1,000 principal amount of the Notes. Annex A contains the formula to be used in calculating the Consideration.

In addition to the Consideration, Holders of Notes accepted for purchase pursuant to the Offer, including Notes accepted pursuant to the Guaranteed Delivery Procedures described below, will also receive Accrued Interest on those Notes from the last interest payment date but not including the Settlement Date.

Tenders of Notes submitted after the Expiration Date will not be valid, unless the Guaranteed Delivery Procedures are followed. For avoidance of doubt, interest will cease to accrue on the Settlement Date for all Notes accepted in the Offer on the Settlement Date.

Under no circumstances will any additional interest be payable because of any delay in the transmission of funds to Holders by DTC.

Because the consideration applicable to the Offer is based on a fixed spread pricing formula linked to the yield on the U.S. Treasury Reference Security, the actual amount of consideration that may be received by a tendering Holder pursuant to the Offer will be affected by changes in such yield during the term of the Offer prior to the Price Determination Date. After the Price Determination Date, when the consideration applicable to the Offer is no longer linked to the yield on the U.S. Treasury Reference Security, the actual amount of cash that may be received by a tendering Holder pursuant to the Offer will be known, and Holders will be able to ascertain the Consideration that would be received by all tendering Holders whose Notes of are accepted for purchase.

Prior to 11:00 a.m., New York City time, on the Price Determination Date, Holders may obtain a hypothetical quote of the yield of the U.S. Treasury Reference Security (calculated as of a then-recent time) and the resulting hypothetical Consideration, by contacting the Dealer Manager at its telephone number set forth on the last page of this Offer to Purchase. In addition, as soon as practicable on the Price Determination Date, the Company will publicly announce the pricing information by press release.

In the event of any dispute or controversy regarding the (i) Consideration, (ii) Reference Yield, (iii) Repurchase Yield or (iv) amount of Accrued Interest for Notes tendered and accepted for purchase pursuant to the Offer, the Company's determination shall be conclusive and binding, absent manifest error.

Withdrawal of Tenders

Except as otherwise provided herein, tenders of Notes pursuant to the Offer are irrevocable. Withdrawal of Notes may only be accomplished in accordance with the following procedures.

Tendered Notes may be validly withdrawn from the Tender Offer at any time (i) on or prior to the earlier of (x) the Expiration Time and (y) in the event that the Tender Offer is extended, the tenth business day after commencement of the Tender Offer, and (ii) after the 60th business day after the commencement of the Tender Offer if for any reason the Tender Offer has not been consummated within 60 business days after commencement. If we amend the Tender Offer in a manner materially adverse to you as a tendering Holder, withdrawal rights will be extended, as we determine appropriate and in accordance with applicable law, to allow tendering Holders a reasonable opportunity to respond to such amendment. In the event that the Tender Offer is terminated or otherwise not completed, the Tender Offer Consideration will not be paid or become payable to Holders of the Notes who have validly tendered their Notes in connection with the Tender Offer, and all tendered Notes will be returned promptly.

The Consideration will be payable only to Holders who validly tender and do not validly withdraw their Notes at or prior to the Expiration Date. See “— Consideration.” If a Holder validly withdraws previously tendered Notes, the Holder will not receive the Consideration, unless such Notes are re-tendered at or prior to the Expiration Date.

If the Company extends the Offer, is delayed in its acceptance for purchase of Notes or is unable to purchase Notes validly tendered and not validly withdrawn pursuant to the Offer for any reason, subject to Rule 14e-1(c) under the Exchange Act, then, without prejudice to the Company's rights under the Offer, the Tender and Information Agent may nevertheless, on the Company's behalf, retain tendered Notes, and such Notes may not be withdrawn except to the extent the Holder is entitled to withdrawal rights described herein.

For a withdrawal of a tender of a Note pursuant to the Offer to be effective, the Tender and Information Agent must timely receive a written or facsimile notice of withdrawal at one of its addresses set forth on the last page of this Offer to Purchase, or a properly transmitted “*Request Message*” through ATOP must be received by the Tender and Information Agent, in each case before the Withdrawal Deadline. The withdrawal notice must:

- specify the name of the DTC participant for whose account such Notes were tendered and such DTC participant’s account number at DTC to be credited with the withdrawn Notes;
- contain a description of the Notes to be withdrawn, including the aggregate principal amount represented by such Notes; and
- be submitted through DTC’s ATOP system by such DTC participant in the same manner as the DTC participant’s name is listed on the applicable Agent’s Message or be accompanied by evidence satisfactory to the Company that the person withdrawing the tender has succeeded to the beneficial ownership of the Notes.

Withdrawal of tenders of Notes may not be rescinded, and any Notes validly withdrawn will thereafter be deemed not validly tendered for purposes of the Offer. Validly withdrawn Notes may, however, be re-tendered pursuant to the Offer by again following the procedures described in “—Procedure for Tendering Notes” below at any time at or prior to the Expiration Date. Withdrawals of tenders of Notes can only be accomplished in accordance with such procedures.

We reserve the right, subject to applicable law, but are under no obligation, to decrease the maximum aggregate principal amount of Notes to be accepted for purchase by us as part of the Offer in our sole discretion. As a result, Holders should not tender Notes that they do not wish to be purchased in the Offer.

Acceptance and Payment; Source of Funds

We will purchase all Notes that have been validly tendered, including through the Guaranteed Delivery Procedures at or prior to the Expiration Date, and not validly withdrawn at or prior to the Withdrawal Deadline, subject to all conditions to the Offer having been satisfied or waived by us, on the Settlement Date.

The Company will be deemed to have accepted for purchase Notes tendered pursuant to the Offer if, as and when the Company provides oral (confirmed in writing) or written notice to the Tender and Information Agent of its acceptance for purchase of such Notes. DTC will act as agent for the tendering Holders for the purpose of receiving payments from the Company and transmitting such payments to the tendering Holders. Thus, the Company will pay for Notes accepted for purchase pursuant to the Offer by depositing same-day funds with DTC, upon the direction of the Tender and Information Agent, at or prior to the Settlement Date. **Under no circumstances will any additional interest be payable by the Company because of any delay in the transmission of funds from DTC to the tendering Holders.**

In the event that the Offer is terminated prior to the Expiration Date, the Consideration will not be paid or become payable to Holders who have tendered their Notes in connection with the Offer. If any previously tendered Notes are not purchased pursuant to the Offer for any reason, such Notes not purchased will be returned promptly to the tendering Holder after the expiration or termination of the Offer (specifically, Notes tendered by book-entry transfer will be promptly credited to the account maintained at DTC from which such Notes were delivered).

The Company intends to fund the purchase of the Notes pursuant to the Offer with the proceeds of the New Notes Offering.

Position of the Company and Other Parties Concerning the Offer

None of the Company, the Tender and Information Agent, the Dealer Manager or the Trustee (in any of its capacities) (nor any of their respective directors, officers, employees or affiliates) makes any recommendation as to whether Holders should tender their Notes pursuant to the Offer, and no one has been authorized by any of them to

make such a recommendation. Holders must make their own decisions as to whether to tender their Notes, and, if so, the principal amount of Notes to tender.

Conditions to the Offer

Notwithstanding any other provision of the Offer, the Company will not be obligated to accept for purchase, or pay for, validly tendered Notes pursuant to the Offer, if the Financing Condition and the General Conditions, each as defined below, have not been satisfied with respect to the Notes prior to the Expiration Time.

Notwithstanding any other provision of the Offer, the Company's obligation to accept for purchase, and to pay for, any Notes validly tendered and not validly withdrawn pursuant to the Offer is conditioned upon the following having occurred or been satisfied or having been waived by the Offeror prior to the Expiration Time:

- the completion of the New Notes Offering (as defined above) by the Company on terms and conditions satisfactory to the Company (the "*Financing Condition*"); and
- the following shall not have occurred (the "*General Conditions*" and, together with the Financing Condition, the "*Conditions*"): there not existing (i) in the reasonable judgment of the Company, any actual or threatened legal impediment (including a default under an agreement, indenture or other instrument or obligation to which the Company or one of its affiliates is party or by which it is bound) to the purchase of the Notes pursuant to the Offer or (ii) any change or development, including a prospective change or development, that, in the reasonable judgment of the Company, has or may have a material adverse effect on the Company or its affiliates, the market prices of the Notes or the value of the Notes to the Company.

For the avoidance of doubt, the foregoing conditions (i) and (ii) shall be read to include, without limitation, the following four conditions for the Offer:

1. there shall not have been threatened, instituted or pending any action, proceeding, investigation (whether formal or informal), claim or counterclaim by any government or governmental, regulatory or administrative agency or authority or tribunal or any other person, domestic or foreign, or before any court, authority, agency or tribunal, that (A) challenges the acquisition of the Notes pursuant to the Offer or may prohibit, prevent, restrict, limit or delay closing of the Offer or otherwise in any manner relates to or affects the Offer or (B) in the reasonable judgment of the Company, could materially or adversely affect the Company or its affiliates, or otherwise materially impair in any way the contemplated future conduct of the business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects of the Company or any of its affiliates or materially impair the Offer's contemplated benefits to the Company or its affiliates;
2. there shall not have been any action threatened, pending or taken, or approval withheld, or any statute, rule, regulation, judgment, order or injunction threatened, proposed, sought, promulgated, enacted, entered, issued, amended, enforced or deemed to be applicable to the Offer or the Company or any of its affiliates, by any legislative body, court, authority, agency or tribunal which, in the Company's sole judgment, would or might directly or indirectly (A) make the acceptance for purchase of, or payment for, the Notes illegal or otherwise restrict or prohibit consummation of the Offer, (B) delay or restrict the ability of the Company, or render the Company unable, to accept for purchase or pay for the Notes, (C) materially impair the contemplated benefits of the Offer to the Company or any of its affiliates or (D) materially affect the Company or its affiliates, or otherwise materially impair in any way the contemplated future conduct of the business of the Company or any of its affiliates;
3. there shall not have occurred (A) any general suspension of trading in, or limitation on prices for, securities on any United States or European national securities exchange or in the over-the-counter market or financial markets, or any major disruption of settlements of securities or clearance services in the United States or abroad, (B) any change in the general political, market (including the trading market for debt securities), economic or financial condition in the United States or abroad that, in the sole judgment of the Company, could have a material adverse effect on the business, condition (financial or other), income, operations or prospects of the Company or its affiliates, the Company's or its affiliates' ability to obtain financing

generally, any material adverse change in the market price of the Notes or the value of the Notes to the Company, (C) the declaration of a banking moratorium or any suspension of payments in respect of banks in the United States or abroad, or any limitation on, or any event which, in the Company's sole judgment, might affect, the extension of credit by lending institutions in the United States, (D) the commencement or escalation of war, armed hostilities, terrorist acts or any other international or national calamity directly or indirectly involving the United States, (E) any significant adverse change in the price of the Notes in the United States or other major securities or financial markets or (F) in the case of any of the foregoing existing at the time of the commencement of the Offer, in the Company's sole judgment, a material acceleration or worsening thereof; and

4. the Trustee shall not have objected in any respect to or taken any action that could, in the sole judgment of the Company, adversely affect the closing of the Offer or the making of the Offer (including the validity or effectiveness of the procedures used by us) or the acceptance for purchase of, or payment for, the Notes tendered pursuant to the Offer.

The foregoing conditions are for the sole benefit of the Company and may be asserted by the Company regardless of the circumstances giving rise to such condition or may be waived by the Company in whole or in part at any time and from time to time in its sole discretion. If any condition to the Offer is not satisfied or waived by the Company prior to the Expiration Date, the Company reserves the right, but shall not be obligated, subject to applicable law, (i) to terminate the Offer and return the Notes tendered pursuant thereto to the tendering Holders, (ii) to waive all unsatisfied conditions and accept for purchase and purchase all Notes that are validly tendered pursuant thereto and not validly withdrawn at or prior to the Withdrawal Deadline, (iii) to extend the Offer and retain the Notes that have been tendered pursuant thereto during the period for which the Offer is extended or (iv) to amend the Offer in any respect (including, without limitation, to change the Consideration).

Our failure at any time to exercise any of the foregoing rights will not be deemed a waiver of any other right and each right will be deemed an ongoing right that may be asserted at any time and from time to time. The Offer is not conditioned on any minimum amount of Notes being tendered.

Procedure for Tendering Notes

The tendering of Notes in the Offer will be deemed to have occurred upon receipt by the Tender and Information Agent via DTC of a valid Agent's Message submitted in accordance with the requirements of DTC. The receipt of such Agent's Message by DTC will be acknowledged in accordance with the standard practices of DTC.

To tender Notes in the Offer, a Holder must (a) deliver, or arrange to have delivered on its behalf, via DTC and in accordance with the requirements of DTC, a valid Agent's Message that is received in each case by the Tender and Information Agent at or prior to the Expiration Date (in order to be eligible to receive the Consideration), or (b) comply with the Guaranteed Delivery Procedures set forth below. Tenders of Notes after the Expiration Date will not be valid, unless the Guaranteed Delivery Procedures are followed. There is no letter of transmittal for the Offer.

Only a Direct Participant in DTC may submit an Agent's Message. If a Holder is not a Direct Participant in DTC and holds its Notes through a broker, dealer, commercial bank, trust company or other nominee or intermediary, such Holder must contact the relevant nominee or intermediary to instruct such nominee or intermediary to submit an Agent's Message on its behalf. In the event that the relevant nominee or intermediary is unable to submit an Agent's Message on its behalf by one of the methods described herein, the Holder should contact the Tender and Information Agent for assistance in submitting its Agent's Message. There can be no assurance that the Tender and Information Agent will be able to assist any such Holders in successfully submitting an Agent's Message.

Holdes who are not Direct Participants are advised to check with the relevant nominee or intermediary through which they hold Notes for the deadline by when such nominee or intermediary would require to receive instructions from a Holder in order for that Holder to be able to participate in, or (in the limited circumstances in which withdrawals are permitted) withdraw their instruction to participate in, the Offer. The deadlines set by any such nominee or intermediary and DTC for the submission and withdrawal of an Agent's Message will be earlier than the relevant deadlines specified in this Offer to Purchase.

Holders must take the appropriate steps through DTC so that no transfers may be effected in relation to such tendered Notes at any time after the date of submission of such Agent's Message, in accordance with the requirements of DTC and the deadlines required by DTC. Each Direct Participant will be deemed to consent to have DTC provide details concerning such Direct Participant's identity to the Tender and Information Agent (and for such Tender and Information Agent to provide such details to the Company and the Dealer Manager and their respective legal advisers).

The Tender and Information Agent will establish one or more accounts at DTC for purposes of the Offer promptly after commencement of the Offer. All Holders must arrange for a Direct Participant in DTC to electronically transmit the Agent's Message through DTC's ATOP, for which the Offer will be eligible. Any Direct Participant in DTC may make a book-entry delivery of Notes by causing DTC to transfer Notes in the participant's account to the Tender and Information Agent's account at DTC in accordance with DTC's ATOP procedures. DTC will then send an Agent's Message to the Tender and Information Agent. There is no letter of transmittal for the Offer.

An "*Agent's Message*" is a message, transmitted by DTC, received by the Tender and Information Agent and forming part of the book-entry confirmation, which states that DTC has received from the tendering participant an express acknowledgement stating: (i) the aggregate principal amount and the Notes validly tendered by such participant, (ii) that such participant has received this Offer to Purchase and agrees to be bound by the terms and conditions of the Offer as set forth in this Offer to Purchase, and (iii) that the Company may enforce such terms and conditions against such participant.

Although transfer of the Notes may be effected through book-entry at DTC, an Agent's Message must be transmitted by DTC and received by the Tender and Information Agent at or prior to the Expiration Date in order to validly tender Notes pursuant to the Offer and in order to be eligible to receive the Consideration. Notes tendered will be held to the order of the Tender and Information Agent until the earlier of the time of settlement on the Settlement Date or the termination of the Offer, in which case such Notes will be promptly returned to the tendering Holders.

Guaranteed Delivery Procedures. For Holders tendering Notes, if such Holder desires to tender Notes pursuant to the Offer and such Holder cannot comply, by the Expiration Date, with the procedure for transfer through DTC, such Holder may effect a tender of Notes pursuant to a guaranteed delivery (the "*Guaranteed Delivery Procedures*") if all of the following are complied with: such tender is made by or through DTC:

- a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form attached hereto, is received by the Tender and Information Agent, as provided below, before the Expiration Date; and
- no later than 5:00 p.m., New York City time, on the Guaranteed Delivery Date, a properly transmitted Agent's Message together with confirmation of book-entry transfer of the Notes specified therein pursuant to the procedures set forth above, and all other required documents are received by the Tender and Information Agent.

The Notice of Guaranteed Delivery may be transmitted in accordance with the usual procedures of DTC and the Tender and Information Agent; provided, however, that if the notice is sent by DTC through electronic means, it must state that DTC has received an express acknowledgment from the Holder on whose behalf the notice is given that the Holder has received and agrees to become bound by the form of the notice to the Tender and Information Agent. If the ATOP procedures are used, the DTC participant need not complete and physically deliver the Notice of Guaranteed Delivery. However, the DTC participant will be bound by the terms of the Offer.

For the avoidance of doubt, Accrued Interest will cease to accrue on the Settlement Date for all Notes accepted in the Offer. Under no circumstances will any interest be payable because of any delay in the transmission of funds to Holders by DTC or its participants.

An Eligible Institution (as defined below) that tenders Notes pursuant to the Guaranteed Delivery Procedures must (i) no later than the Expiration Date, comply with ATOP procedures applicable to guaranteed delivery and (ii) no later than the Guaranteed Delivery Date, deliver the Agent's Message, together with confirmation of book-entry transfer of the Notes specified therein, to the Tender and Information Agent as specified above. Failure to do so could result in a financial loss to such Eligible Institution.

If a Holder is tendering Notes through ATOP pursuant to the Guaranteed Delivery Procedures, the Eligible Institution should not complete and deliver the Notice of Guaranteed Delivery, but such Eligible Institution will be bound by the terms of the Offer, including the Notice of Guaranteed Delivery, as if it was executed and delivered by such Eligible Institution. Holders who hold Notes in book-entry form and tender pursuant to the Guaranteed Delivery Procedures should, prior to the Guaranteed Delivery Date, only comply with ATOP procedures applicable to guaranteed delivery.

An “*Eligible Institution*” is one of the following firms or other entities identified and defined in Rule 17Ad-15 under the Exchange Act:

- a bank;
- a broker, dealer, municipal securities dealer, municipal securities broker, government securities dealer or government securities broker;
- a credit union;
- a national securities exchange, registered securities association or clearing agency; or
- a savings association (as defined in Section 3(b) of the Federal Deposit Insurance Act).

Notes may be tendered pursuant to the Guaranteed Delivery Procedures only in the authorized denominations set forth in “— Minimum Tender Denomination.” No alternative, conditional or contingent tenders will be accepted.

THE DELIVERY OF NOTES TENDERED BY GUARANTEED DELIVERY PROCEDURES MUST BE MADE NO LATER THAN 5:00 P.M., NEW YORK CITY TIME, ON THE SECOND BUSINESS DAY AFTER THE EXPIRATION DATE. UNDER NO CIRCUMSTANCES WILL ADDITIONAL INTEREST ON THE NOTES OR CONSIDERATION BE PAID BY THE COMPANY AFTER THE SETTLEMENT DATE BY REASON OF ANY DELAY ON THE PART OF THE GUARANTEED DELIVERY PROCEDURES. THE NOTICE OF GUARANTEED DELIVERY SHOULD BE SENT ONLY TO THE TENDER AND INFORMATION AGENT, AND NOT TO THE COMPANY, THE DEALER MANAGER, OR TO ANY BOOK-ENTRY TRANSFER FACILITY.

General. The tender of Notes by a Holder pursuant to the procedures set forth above will constitute a binding agreement between such Holder and the Company in accordance with the terms and subject to the conditions set forth herein, which agreement will be governed by, and construed in accordance with, the laws of the State of New York.

No alternative, conditional or contingent tenders of Notes will be accepted pursuant to the Offer. The Company, in its sole discretion, will determine all questions as to the form of documents and validity, eligibility, including time of receipt, acceptance for purchase and withdrawal of tendered Notes, and such determinations will be final and binding. The Company reserves the absolute right to reject any and all tenders of Notes that it determines are not in proper form or the acceptance for purchase of or purchase of which may, in the opinion of the Company’s counsel, be unlawful. The Company also reserves the absolute right in its sole discretion to waive any of the conditions of the Offer or any defect or irregularity in the tender of Notes of any particular Holder, whether or not similar defects or irregularities are waived in the case of other Holders. The Company’s interpretation of the terms and conditions of the Offer will be final and binding. No tender or notice of withdrawal will be deemed to have been validly made until all defects or irregularities have been cured or waived by the Company. None of the Company, the Dealer Manager, the Tender and Information Agent, the Trustee (in any of its capacities) or any other person will be under any duty to give notification of any defects or irregularities in tenders or any notices of withdrawal or will incur any liability for failure to give any such notification.

Representations, Warranties and Undertakings. By tendering Notes pursuant to this Offer to Purchase, the Holder is deemed to represent, warrant and undertake to the Company, the Dealer Manager, the Tender and Information Agent and the Trustee that:

1. it has received this Offer to Purchase, has reviewed, accepts and agrees to be bound by the terms and conditions of the Offer, and the Company may enforce such agreement against such Holder, all as described in this Offer to Purchase;
2. the Notes are, at the time of acceptance, and will continue to be, until the payment on the Settlement Date, or the termination or withdrawal of the Offer, or, in the case of Notes in respect of which the tender has been withdrawn, the date on which such tender is validly withdrawn, held by it;
3. it acknowledges that all authority conferred or agreed to be conferred pursuant to these representations, warranties and undertakings and every obligation of the tendering Holder shall be binding upon the successors, assigns, heirs, executors, administrators, trustee in bankruptcy and legal representatives of the tendering Holder and shall not be affected by, and shall survive, the death or incapacity of the tendering Holder;
4. it has full power and authority to tender, sell, assign and transfer the tendered Notes;
5. the Notes will, on the Settlement Date, be transferred by such tendering Holder to the Company in accordance with the terms of the Offer, and the Company will acquire good, marketable and unencumbered title thereto, with full title guarantee free from all liens, restrictions, charges and encumbrances, not subject to any adverse claim or right, and together with all rights attached thereto and the tendering Holder will, upon request, execute and deliver any additional documents deemed by the Tender and Information Agent or the Company to be necessary or desirable to complete the sale, assignment and transfer of the Notes tendered;
6. it is not a person to whom it is unlawful to make an invitation pursuant to the Offer under applicable securities laws, it has not distributed or forwarded this Offer to Purchase or any other documents or materials relating to the Offer to any such person(s) and it has (before submitting, or arranging for the submission on its behalf, as the case may be, of the Agent's Message in respect of the Notes it is tendering for purchase) complied with all laws and regulations applicable to it for the purposes of its participation in the Offer;
7. it acknowledges that it has a net long position in the Notes being tendered within the meaning of Rule 14e-4 (promulgated under the Exchange Act) and the tender of such Notes complies with Rule 14e-4;
8. it acknowledges that the Company, in its sole discretion, will determine all questions as to the form of documents and validity, eligibility, including time of receipt, acceptance for purchase and withdrawal of tendered Notes, and such determinations will be final and binding, that the Company reserves the absolute right to reject any and all tenders of Notes that it determines are not in proper form or the acceptance for purchase of or purchase of which may, in the opinion of the Company's counsel, be unlawful, that the Company also reserves the absolute right in its sole discretion to waive any of the conditions of the Offer or any defect or irregularity in the tender of Notes of any particular Holder, whether or not similar defects or irregularities are waived in the case of other Holders, that the Company's interpretation of the terms and conditions of the Offer will be final and binding and that none of the Company, the Dealer Manager, the Tender and Information Agent, the Trustee (in any of its capacities) or any other person will be under any duty to give notification of any defects or irregularities in tenders or any notices of withdrawal or will incur any liability for failure to give any such notification;
9. if the Notes tendered are accepted for purchase by the Company (i) the Consideration will be paid in U.S. dollars and will be deposited by the Company, upon the Tender and Information Agent's instructions, with DTC on the Settlement Date on behalf of the tendering Holders entitled thereto; (ii) on receipt of such cash amounts, DTC will make payments promptly to the accounts of the relevant Holders; and (iii) payment of such cash amounts to DTC, upon the direction of the Tender and Information Agent, will discharge the obligation of the Company to such tendering Holder in respect of the payment of the cash amounts, and no additional amounts shall be payable to the tendering Holder in the event of a delay in the payment of such cash amounts by DTC or an intermediary to the Holder; and

10. it will, upon request, execute and deliver any documents deemed by the Tender and Information Agent or the Company to be reasonably necessary or desirable to complete the sale, assignment and transfer of the Notes tendered.

By tendering Notes as set forth herein, and subject to and effective upon acceptance for purchase of, and payment for, the Notes tendered therewith, a tendering Holder (i) irrevocably sells, assigns and transfers to, the Company all right, title and interest in and to all of the Notes tendered thereby and accepted for purchase pursuant to the terms hereof, (ii) waives any and all other rights with respect to the Notes (including, without limitation, the tendering Holder's waiver of any existing or past defaults and their consequences in respect of the Notes and the Indenture relating to the Notes, as applicable), (iii) releases and discharges the Company, the Trustee (in each of its capacities) and each of their respective affiliates from any and all claims such Holder may have now, or may have in the future, arising out of, or related to, such Notes, including, without limitation, any claims that such Holder is entitled to receive additional principal or interest payments with respect to such Notes or to participate in any repurchase, redemption or defeasance of the Notes, and (iv) irrevocably constitutes and appoints the Tender and Information Agent, or DTC, as the case may be, as the true and lawful agent and attorney-in-fact of such Holder (with full knowledge that the Tender and Information Agent also acts as the agent of the Company in connection with Offer) with respect to any such tendered Notes, with full power of substitution and resubstitution (such power of attorney being deemed to be an irrevocable power coupled with an interest) to (a) transfer ownership of such Notes on the account books maintained by DTC, together with all accompanying evidences of transfer and authenticity, to the Company, (b) present such Notes for transfer on the relevant security register, and (c) receive all benefits or otherwise exercise all rights of beneficial ownership of such Notes (except that the Tender and Information Agent will have no rights to, or control over, funds from the Company, except as agent for the tendering Holders, for the Consideration plus Accrued Interest of Notes tendered pursuant to the Offer, as determined pursuant to the terms of this Offer to Purchase, for any tendered Notes that are purchased by the Company).

THE METHOD OF DELIVERY OF NOTES, THE NOTICE OF GUARANTEED DELIVERY AND ALL OTHER REQUIRED DOCUMENTS TO THE TENDER AND INFORMATION AGENT IS AT THE ELECTION AND RISK OF THE HOLDER TENDERING NOTES. DELIVERY OF SUCH DOCUMENTS WILL BE DEEMED MADE ONLY WHEN ACTUALLY RECEIVED BY THE TENDER AND INFORMATION AGENT. IF SUCH DELIVERY IS BY MAIL, IT IS SUGGESTED THAT THE HOLDER USE PROPERLY INSURED, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, AND THAT THE MAILING BE MADE SUFFICIENTLY IN ADVANCE OF THE EXPIRATION TIME TO PERMIT DELIVERY TO THE TENDER AND INFORMATION AGENT PRIOR TO SUCH DATE. NO ALTERNATIVE, CONDITIONAL OR CONTINGENT TENDERS OF NOTES WILL BE ACCEPTED.

Minimum Tender Denomination. Notes may be tendered only in principal amounts equal to the minimum authorized denomination of \$2,000 and integral multiples of \$1,000 in excess thereof. Holders who do not tender all of their Notes must ensure that they retain a principal amount of Notes amounting to at least the minimum denomination for the Notes.

No alternative, conditional or contingent tenders will be accepted. Holders who tender less than all of their Notes must continue to hold Notes in an authorized denomination.

Additional Terms of the Offer

- All communications, payments, notices, certificates, or other documents to be delivered to or by a Holder will be delivered by or sent to or by the Holder at the Holder's own risk.
- By submitting a valid electronic acceptance instruction, a Holder will be deemed to have given the representations, warranties and undertakings of the Holder set forth above in "*—Procedure for Tendering Notes—Representations, Warranties and Undertakings.*"
- All acceptances of tendered Notes by us shall be deemed to be made on the terms set out in this Offer to Purchase (and shall be deemed to be given in writing even if submitted electronically).

- We may in our sole discretion elect to treat as valid a tender instruction in respect of which the relevant Holder does not fully comply with all of the requirements of these terms.
- Unless waived by us, any irregularities in connection with tenders of such Notes must be cured within such time as we shall determine. None of the Company, the Dealer Manager, the Tender and Information Agent, the Trustee (in any of its capacities) or any other person shall be under any duty to give notification of any defects or irregularities in such tenders of Notes, nor will any of such entities incur any liability for failure to give any such notification. Tenders of Notes may be deemed not to have been made until such defects or irregularities have been cured or waived.
- None of the Company, the Dealer Manager, the Tender and Information Agent or the Trustee (in any of its capacities) shall accept any responsibility for failure of delivery of a notice, communication or electronic acceptance instruction.
- Any rights or claims which a Holder may have against us in respect of any tendered Notes or the Offer shall be extinguished or otherwise released upon the payment to such Holder of the consideration for the tendered Notes and any accrued interest, as determined pursuant to the terms of the Offer, for such Notes.
- Without limiting the manner in which we may choose to make any public announcement, we shall have no obligation to publish, advertise or otherwise communicate any such public announcement other than by issuing a press release or giving notice to the Tender and Information Agent and the Dealer Manager.
- There are no appraisal or similar statutory rights available to the Holders in connection with the Offer.
- The contract constituted by our acceptance for purchase in accordance with the terms of this Offer to Purchase of all Notes validly tendered and not validly withdrawn (or defectively tendered, if such defect has been waived by us) shall be governed by and construed in accordance with the laws of the State of New York.

CONSEQUENCES TO NON-TENDERING AND TENDERING HOLDERS

Limited Trading Market for Non-Tendering Holders

The Notes are not listed on any national or regional securities exchange. To the extent that Notes are validly tendered and accepted for purchase pursuant to the Offer, the trading market for Notes that remain outstanding after completion of the Offer is likely to become more limited than it is at present. To the extent a market continues to exist for the Notes, the Notes may trade at a discount compared to present trading prices depending on prevailing interest rates, the market for debt instruments with similar credit features, our operating and financial performance and other factors. The extent of the market for the Notes and the availability of market quotations will depend upon the number of Holders, the interest in maintaining a market in the Notes on the part of securities firms and other factors. There is no assurance that an active market in the Notes will exist, and no assurance can be made as to the prices at which the Notes may trade after the consummation of the Offer.

A debt security which is part of a series with a small outstanding principal amount available for trading (a smaller “float”) may command a lower price than would a comparable debt security of a series with a larger float. Therefore, the market price for Notes that are not tendered and accepted for purchase pursuant to the Offer may be affected adversely to the extent that the principal amount of Notes purchased pursuant to the Offer reduces the float. A reduced float may also make the trading price of Notes that are not purchased in the Offer more volatile.

The Consummation of the Offer is Subject to Satisfaction of Certain Conditions

The consummation of the Offer is subject to satisfaction or waiver of (1) the Financing Condition and (2) the General Conditions. These conditions are described in more detail in this Offer to Purchase under “The Offer — Conditions to the Offer.” There can be no assurance that such conditions will be satisfied or waived with respect to the Offer.

The Consideration Offered for the Notes Does Not Necessarily Reflect the Fair Value of the Notes

The consideration offered for the Notes pursuant to the Offer does not reflect any independent valuation of such Notes and does not take into account events or changes in financial markets (including interest rates) after the commencement of the Offer. We have not obtained or requested a fairness opinion from any banking or other firm as to the fairness of the consideration offered for the Notes. If a holder tenders Notes, such holder may or may not receive more or as much value than if it chose to keep them.

Selling Notes Pursuant to the Offer Will Have Tax Consequences

See “Certain U.S. Federal Income Tax Considerations” for a discussion of certain U.S. federal income tax consequences of the Offer.

Effect of the Offer on Holders of Notes Tendered and Accepted in the Offer

If your Notes are validly tendered and not validly withdrawn and accepted for purchase, you will be giving up all of your rights as a Holder of those Notes, including, without limitation, your right to future interest or cash distributions and principal payments with respect to such Notes.

OTHER PURCHASES OF NOTES

Following consummation or termination of the Offer, to the extent any Notes remain outstanding, the Company and/or its affiliates reserve the right to purchase outstanding Notes from time to time otherwise than pursuant to the Offer through open market purchases, privately negotiated transactions, one or more additional tender offers, exchange offers or otherwise, on such terms and at such prices as they may determine, which may be more or less than the prices to be paid pursuant to the Offer and may be for cash or other consideration in each case, pursuant to the terms of the Indenture. In addition, the Company may repay, repurchase or redeem additional Notes that remain outstanding following the Offer as permitted by the Indenture relating to the Notes or any other indenture under which other notes were issued, as applicable. Any future purchases or redemptions by the Company and/or its affiliates, will depend on various factors existing at that time. There can be no assurance as to which, if any, of these alternatives (or combinations thereof) the Company and/or its affiliates, may choose to pursue in the future. Nothing contained in the Offer will prevent us from exercising our rights under the Indenture to defease or satisfy or otherwise discharge our obligations with respect to the Notes by depositing cash or other securities with the Trustee in accordance with the terms of the Indenture. The effect of any of these actions may directly or indirectly affect the price of any Notes that remain outstanding after the consummation or termination of the Offer.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain U.S. federal income tax considerations related to the Offer. This discussion is limited to Holders who hold the Notes as capital assets within the meaning of the Internal Revenue Code of 1986, as amended (the “Code”). This discussion does not address all aspects of U.S. federal income taxation that may be relevant to particular Holders in light of their personal circumstances or to certain types of Holders subject to special tax rules, such as banks, financial institutions, insurance companies, broker-dealers, regulated investment companies, real estate investment trusts, retirement plans, individual retirement or other tax-deferred accounts, partnerships or other pass-through entities for U.S. federal income tax purposes and their partners or other beneficial owners, tax-exempt entities (including private foundations), governmental entities, controlled foreign corporations, passive foreign investment companies, Holders holding the Notes as part of a straddle, hedge, conversion, constructive sale, or other integrated security transaction for U.S. federal income tax purposes, Holders who mark to market their securities, U.S. Holders (as defined below) whose functional currency is not the U.S. dollar, U.S. Holders that hold the Notes through non-U.S. brokers or other non-U.S. intermediaries, Holders who are subject to the alternative minimum tax, Holders required to accelerate their reporting of income or gain because such income or gain is reported on an applicable financial statement, or Holders who are former U.S. citizens or U.S. residents, all of whom may be subject to tax rules that differ significantly from those summarized below. In addition, this summary does not discuss any state, local or non-U.S. tax considerations or U.S. federal tax considerations other than U.S. federal income tax considerations (e.g., estate or gift tax considerations).

The discussion below is based on the Code, U.S. Treasury Regulations, Internal Revenue Service (“IRS”) rulings and published court decisions, each as of the date of the Offer, and any of which may be subject to change at any time, possibly with retroactive effect, so as to result in U.S. federal income tax consequences different from those discussed below. Holders should consult their tax advisors as to the particular tax consequences to them of the Offer in light of their particular circumstances, as well as the effect of any U.S. federal, state, local, non-U.S. or other laws.

As used herein, the term “U.S. Holder” means a beneficial owner of a Note that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, (x) the administration of which is subject to the primary supervision of a court within the United States and for which one or more U.S. persons have the authority to control all substantial decisions, or (y) that has a valid election in effect under U.S. Treasury Regulations to be treated as a U.S. person.

As used herein, the term “Non-U.S. Holder” means a beneficial owner of a Note that is, for U.S. federal income tax purposes, an individual, corporation, estate or trust and that is not a U.S. Holder.

If an entity or arrangement classified as a partnership for U.S. federal income tax purposes holds Notes, the tax treatment of the partnership and each partner thereof will generally depend upon the activities of the partnership and the status of the partner. Entities and arrangements treated as partnerships for U.S. federal income tax purposes owning Notes and partners of such partnerships should consult their tax advisors about the U.S. federal income tax considerations relating to the Offer.

Consequences to Tendering U.S. Holders

Tender of Notes Pursuant to the Offer

A U.S. Holder’s receipt of cash in exchange for a Note pursuant to the Offer will be a taxable transaction for U.S. federal income tax purposes. Subject to the discussion below regarding market discount, a U.S. Holder will

generally recognize gain or loss equal to the difference, if any, between the amount realized on the disposition of the Note pursuant to the Offer (other than amounts attributable to Accrued Interest not previously included in income, which will be treated as ordinary income for U.S. federal income tax purposes) and the U.S. Holder's adjusted tax basis in such Note. A U.S. Holder's adjusted tax basis in a Note will generally equal the cost of such Note to the U.S. Holder, increased by any market discount the U.S. Holder has previously elected to include in income with respect to such Note and reduced (but not below zero) by any amortizable bond premium that the U.S. Holder has previously elected to amortize against interest income with respect to such Note. Amortizable bond premium is generally defined as the excess of a U.S. Holder's tax basis in the Note immediately after its acquisition by such U.S. Holder over the sum of all amounts payable on the Note after the purchase date other than payments of stated interest. Such gain or loss (if any) generally will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder's holding period for the Note exceeds one year at the time of disposition. A reduced tax rate on long-term capital gain may apply to individual and other non-corporate U.S. Holders. The deductibility of capital losses by a U.S. Holder is subject to limitations.

Market Discount

A U.S. Holder who acquired a Note with market discount (i.e., a Note whose stated principal amount exceeded, by more than a statutory de minimis amount, the U.S. Holder's tax basis in such Note immediately after its acquisition) will generally be required to treat any gain on the sale of such Note pursuant to the Offer as ordinary income to the extent of the market discount accrued to the date of the sale and not previously included in the U.S. Holder's income.

Medicare Tax

An additional 3.8% tax (the "*Medicare Tax*") will generally be imposed on certain net investment income of individuals (other than nonresident aliens) and on the undistributed net investment income of certain estates and trusts. For these purposes, "net investment income" will generally include, among other things, interest income on, and net gains from the disposition of, the Notes, unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). A U.S. Holder that is an individual, estate or trust should consult its tax advisor regarding the applicability of the Medicare Tax to income and gains in respect of a disposition of the Notes pursuant to the Offer.

Information Reporting and Backup Withholding

A U.S. Holder whose Notes are tendered and accepted for purchase may be subject to certain information reporting requirements with respect to the Consideration (as well as any payment of Accrued Interest), unless the U.S. Holder is an exempt recipient and, when required, establishes this fact. In addition, a U.S. Holder may be subject to backup withholding with respect to the receipt of the Consideration (and any Accrued Interest) if the U.S. Holder fails to (1) provide its correct taxpayer identification number and certain other information and certify that it is not subject to backup withholding or (2) otherwise establish an exemption from backup withholding. A tendering U.S. Holder can satisfy these requirements by completing and submitting an IRS Form W-9. Backup withholding is not an additional tax. Any amount withheld under the backup withholding rules will be creditable against a U.S. Holder's U.S. federal income tax liability, if any, and may entitle the U.S. Holder to a refund, provided that the required information is properly and timely furnished to the IRS. U.S. Holders should consult their tax advisors with respect to their qualification for exemption from backup withholding and the procedures for obtaining such exemption.

Consequences to Tendering Non-U.S. Holders

Tender of Notes Pursuant to the Offer

Subject to the discussions of backup withholding and Accrued Interest below, a Non-U.S. Holder will generally not be subject to U.S. federal income tax on any gain recognized on the Non-U.S. Holder's receipt of cash for Notes pursuant to the Offer unless (i) the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States (in which case the Non-U.S. Holder generally will be subject to U.S. federal income tax on such gain in the same manner as a U.S. Holder, unless otherwise provided in an applicable income tax

treaty, and may also be subject to a branch profits tax at a 30% rate (or at a reduced rate under an applicable income tax treaty) on its effectively connected earnings and profits (subject to adjustments) if the Non-U.S. Holder is treated as a corporation for U.S. federal income tax purposes) or (ii) in the case of a Non-U.S. Holder who is an individual, that individual is present in the United States for 183 days or more during the taxable year of the disposition and certain other conditions are met (in which case, unless otherwise provided in an applicable income tax treaty, the Non-U.S. Holder will be subject to a U.S. federal income tax at a 30% rate (or at a reduced rate under an applicable income tax treaty) on any gain recognized (net of certain U.S. source capital losses)).

Accrued Interest

Subject to the discussions of backup withholding and FATCA below, any amount received that is attributable to Accrued Interest on a Note held by a Non-U.S. Holder that is not effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States will generally not be subject to U.S. federal income or withholding tax provided that such Non-U.S. Holder (A) does not actually or constructively own 10% or more of our capital or profits interests, (B) is not a controlled foreign corporation with respect to which we are a "related person" within the meaning of Section 864(d)(4) of the Code, and (C) satisfies the applicable certification requirements (which includes, among other things, providing a properly executed IRS Form W-8BEN or IRS Form W-8BEN-E).

A Non-U.S. Holder that cannot satisfy the foregoing requirements will generally be subject to U.S. federal withholding tax at a 30% rate unless the Non-U.S. Holder provides the applicable withholding agent with a properly executed: (A) IRS Form W-8BEN or W-8BEN-E claiming an exemption from or reduction in withholding under the terms of an applicable income tax treaty or (B) IRS Form W-8ECI stating that such Accrued Interest is not subject to withholding tax because it is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States. If the Accrued Interest is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States, such Non-U.S. Holder will generally be taxed in the same manner as a U.S. Holder, unless otherwise provided in an applicable tax treaty. In addition, a Non-U.S. Holder that is treated as a corporation for U.S. federal income tax purposes may be subject to a branch profits tax at a 30% rate (or at a reduced rate under an applicable income tax treaty) on such Holder's effectively connected earnings and profits, subject to adjustments.

Information Reporting and Backup Withholding

Information returns may be filed with the IRS in connection with payments made to Non-U.S. Holders pursuant to the Offer. Copies of these information returns may also be made available under the provisions of a specific tax treaty or other agreement with the tax authorities of the country in which a Non-U.S. Holder resides or is organized. A Non-U.S. Holder generally will not be subject to backup withholding with respect to payments made pursuant to the Offer if the Non-U.S. Holder provides the certifications described above. Backup withholding is not an additional tax. Any amount withheld under the backup withholding rules will be creditable against a Non-U.S. Holder's U.S. federal income tax liability, if any, and may entitle the Non-U.S. Holder to a refund, provided that the required information is properly and timely furnished to the IRS. Non-U.S. Holders should consult their tax advisors with respect to their qualification for exemption from backup withholding and the procedures for obtaining such exemption.

FATCA

The Foreign Account Tax Compliance Act, commonly referred to as "FATCA," generally imposes a withholding tax of 30% on payments of interest with respect to the Notes if paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code, and including amounts paid to a foreign financial institution or a non-financial foreign entity on behalf of or otherwise as an intermediary for a Holder), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement

with the United States governing FATCA may be subject to different rules. While withholding under FATCA may also apply to gross proceeds from a sale or other disposition of the Notes, under proposed U.S. Treasury regulations, such withholding is not required. Although such regulations are not final, applicable withholding agents may rely on the proposed regulations until final regulations are issued. If withholding under FATCA is required on any payment received in respect of the Notes, Holders not otherwise subject to U.S. federal withholding (or that otherwise would be entitled to a reduced rate of withholding) on such payment may be entitled to a refund or credit of such taxes. Holders should consult their tax advisors regarding FATCA and the application of these requirements to the sale of Notes pursuant to the Offer.

Non-Tendering Holders

A Holder whose Notes are not purchased by us pursuant to the Offer will not incur any U.S. federal income tax liability as a result of the consummation of the Offer.

This summary is of a general nature only and is not intended to be, and should not be interpreted as, legal or tax advice to any particular Holder. If you are considering a tender of Notes pursuant to the Offer, you should consult with your tax advisor concerning the U.S. federal income tax considerations related to the Offer in light of your particular circumstances and any consequences arising under other U.S. federal tax laws and the laws of any state, local or foreign taxing jurisdiction or under any applicable tax treaty.

DEALER MANAGER AND TENDER AND INFORMATION AGENT

The Company has retained Wells Fargo Securities, LLC to act as the Dealer Manager (the “*Dealer Manager*”) and D.F. King & Co., Inc. to act as the information agent and the Tender and Information Agent (in such capacity, the “*Tender and Information Agent*”) in connection with the Offer. The Company has agreed to pay the Dealer Manager and the Tender and Information Agent customary fees for their services in connection with the Offer. The Company has also agreed to reimburse the Dealer Manager and the Tender and Information Agent for their reasonable and documented fees and expenses (including all reasonable and documented fees and disbursements of legal counsel to the Dealer Manager) and to indemnify them against certain liabilities, including liabilities under Federal securities laws.

At any given time, the Dealer Manager or its affiliates may make markets in the Notes or other securities of the Company or otherwise trade in the Notes or other securities of the Company for their own accounts or for the account of customers, and accordingly, may hold long or short positions in the Notes or such other securities. In addition, the Dealer Manager or its affiliates may tender Notes into the Offer for their own accounts.

The Dealer Manager or its affiliates have provided in the past, and currently provide, other investment banking, commercial banking and financial advisory services to the Company and its affiliates. The Dealer Manager or its affiliates may continue to provide various investment banking, commercial banking and financial advisory services to the Company and its affiliates, for which they would receive customary compensation.

Concurrently with the Offer, the Company intends to complete the New Notes Offering. Wells Fargo Securities, LLC is acting as an initial purchaser in connection with the New Notes Offering, and we have agreed to pay Wells Fargo Securities, LLC customary fees and commissions for its services to us in connection with the New Notes Offering.

NONE OF THE COMPANY, THE TENDER AND INFORMATION AGENT, THE DEALER MANAGER OR THE TRUSTEE (IN ANY OF ITS CAPACITIES) (EACH AS DEFINED HEREIN) (NOR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES OR AFFILIATES) MAKES ANY RECOMMENDATION AS TO WHETHER HOLDERS SHOULD TENDER THEIR NOTES PURSUANT TO THE OFFER, AND NO ONE HAS BEEN AUTHORIZED BY ANY OF THEM TO MAKE SUCH A RECOMMENDATION. HOLDERS MUST MAKE THEIR OWN DECISIONS AS TO WHETHER TO TENDER THEIR NOTES, AND, IF SO, THE PRINCIPAL AMOUNT OF NOTES TO TENDER.

None of the Dealer Manager, the Tender and Information Agent or the Trustee (in any of its capacities) assumes any responsibility or liability for the accuracy, correctness, adequacy or completeness of the information concerning the Company or its affiliates or the Notes contained or incorporated by reference in this Offer to Purchase or for any failure by the Company or any other party to disclose events that may have occurred and may affect the significance, correctness, adequacy, completeness or accuracy of such information. The Trustee will be entitled to those certain rights, privileges, immunities, indemnities, limitations of liability, and protections, as more fully set forth in the Indenture

Any questions or requests for assistance or for additional copies of this Offer to Purchase, the Notice of Guaranteed Delivery or related documents may be directed to the Tender and Information Agent at its telephone numbers set forth below. A Holder may also contact the Dealer Manager at its telephone number set forth below or such Holder’s broker, dealer, commercial bank, trust company or other nominee or intermediary for assistance concerning the Offer. Beneficial owners should contact their broker, dealer, commercial bank, trust company or other nominee or intermediary for assistance concerning the Offer.

The Tender and Information Agent for the Offer is:

D.F. King & Co., Inc.

48 Wall Street, 22nd Floor New York, New York 10005
Banks and Brokers call: (212) 269-5550
Toll free: (800) 283-9185
Email: watco@dfking.com

The Dealer Manager for the Offer is:

Wells Fargo Securities, LLC

550 South Tryon Street, 5th Floor
Charlotte, North Carolina 28202
Attn: Liability Management Group
Toll-Free: (866) 309-6316
U.S Collect.: (704) 410-4759
Email: liabilitymanagement@wellsfargo.com

ANNEX A

FORMULA FOR DETERMINING THE CONSIDERATION AND ACCRUED INTEREST

| | | |
|------------------|---|---|
| YLD | = | The Repurchase Yield expressed as a decimal number. |
| CPN | = | The contractual annual rate of interest payable on a Note expressed as a decimal number. |
| Cfi | = | The aggregate amount of cash per \$1,000 principal amount scheduled to be paid on the “ith” out of the N remaining cash payment dates, assuming for this purpose that Notes are redeemed on the Par Call Date. Scheduled payments of cash include interest, and, on the Par Call Date, principal. |
| N | = | The number of scheduled semi-annual interest payments from, but not including, the Settlement Date to, and including, the Par Call Date for the Notes. |
| S | = | The number of days from and including the semiannual interest payment date immediately preceding the Settlement Date up to, but not including, the Settlement Date. The number of days is computed using the 30/360 day-count method. |
| / | = | Divide. The term immediately to the left of the division symbol is divided by the term immediately to the right of the division symbol before any addition or subtraction operations are performed. |
| Exp | = | Exponentiate. The term to the left of “exp” is raised to the power indicated by the term to the right of “exp.” |
| $\sum_{k=1}^N$ | = | Summate. The term in the brackets to the right of the summation symbol is separately calculated “N” times (substituting for “k” in that term each whole number between 1 and N, inclusive), and the separate calculations are then added together. |
| Accrued Interest | = | $\$1,000(CPN)(S/360)$ |
| Consideration | = | The price per \$1,000 principal amount of a Note (excluding Accrued Interest). A tendering Holder will receive a total amount per \$1,000 principal amount (rounded to the nearest cent) based on the fixed spread specified in the table on the cover page of this Offer to Purchase, plus the yield to maturity of the U.S. Treasury Reference Security based on the bid- side price of the U.S. Treasury Reference Security specified on the cover page at 11:00 a.m., New York City time, on July 17, 2024. The Consideration does not include Accrued Interest (as defined herein), which will be paid on Notes accepted for purchase by us as described herein. |

Formula for Consideration:

$$\sum_{k=1}^N \left[\frac{Cfi}{(1 + YLD/2)^{Exp(k - S/180)}} \right] - \$1000(CPN)(S/360)$$

ANNEX B

FORM OF NOTICE OF GUARANTEED DELIVERY

NOTICE OF GUARANTEED DELIVERY

**Watco Companies, L.L.C.
Watco Finance Corp.**

**RELATING TO THE OFFER TO PURCHASE DATED JULY 8, 2024
(THE “OFFER TO PURCHASE”) ANY AND ALL OF THEIR
OUTSTANDING 6.500% SENIOR NOTES DUE 2027**

This Notice of Guaranteed Delivery is being provided in connection with the Offer (as defined in the Offer to Purchase) by Watco Companies, L.L.C. and Watco Finance Corp. (collectively, the “Company”). The Offer will expire at 5:00 p.m., New York City time, on July 17, 2024, unless extended or terminated (such time and date, as the same may be extended or terminated by us in our sole discretion subject to applicable law, the “Expiration Date”). Tendered Notes may be validly withdrawn at any time (i) at or prior to the earlier of (x) the Expiration Date and (y) in the event that the Offer is extended, the tenth business day after commencement of the Offer, and (ii) after the 60th business day after commencement of the Offer if for any reason the Offer has not been consummated within 60 business days after commencement (such time and date, as the same may be extended by us in our sole discretion, the “Withdrawal Deadline”), but may not thereafter be validly withdrawn, unless otherwise required by applicable law. The Offer is being made upon the terms and subject to the conditions set forth in the offer to purchase (as it may be amended or supplemented from time to time, the “Offer to Purchase”) relating to the Notes and this accompanying notice of guaranteed delivery (as it may be amended or supplemented from time to time, the “Notice of Guaranteed Delivery”). There is no letter of transmittal for the Offer. Capitalized terms used but not defined herein shall have the meaning given to them in the Offer to Purchase.

The Tender and Information Agent for the Offer is:

D.F. King & Co., Inc.

48 Wall Street, 22nd Floor
New York, NY 10005

Facsimile for Eligible Guarantor Institutions: (212) 709-3328

Banks and Brokers Call Collect: (212) 269-5550

All Others, Please Call Toll-Free: (800) 283-9185

Email: watco@dfking.com

Delivery of this Notice of Guaranteed Delivery to an address other than the one set forth above or transmission of instructions via facsimile to a number other than the facsimile number set forth above will not constitute a valid delivery to the Tender and Information Agent. The method of delivery of this Notice of Guaranteed Delivery and all other required documents to the Tender and Information Agent, including delivery through DTC, and any acceptance or Agent’s Message transmitted through ATOP electronic acceptance procedures, is at the election and risk of holders.

The Notes are:

| Series of Notes | CUSIP Numbers⁽¹⁾ | Aggregate Principal Amount Outstanding |
|------------------------------|------------------------------------|---|
| 6.500% Senior Notes due 2027 | 941130AB2/ U94127AB0 | \$600,000,000 |

(1) No representation is made as to the correctness or accuracy of the CUSIP numbers listed in this Notice of Guaranteed Delivery or printed on the Notes. They are provided solely for the convenience of Holders of the Notes.

If you desire to tender Notes in the Offer and the procedures for book-entry transfer cannot be completed on a timely basis before the Expiration Date, your tender may still be effected if (1) the tender is made by or through an Eligible Guarantor Institution (as defined below); (2) guaranteed deliveries are submitted only in the authorized minimum denominations and integral multiples of \$1,000 in excess thereof; (3) either (a) the Tender and Information Agent receives by mail, overnight courier or facsimile transmission, before the Expiration Date, a properly completed and duly executed Notice of Guaranteed Delivery in the form we have provided, including (where required) a signature guarantee by an Eligible Guarantor Institution in the form set forth herein or (b) in the case of Notes held in book-entry form, such Eligible Guarantor Institution has complied with ATOP's procedures applicable to guaranteed delivery for the Notes; and in either case representing that the Holder(s) own such Notes; and (4) the Tender and Information Agent receives the Notes, in proper form for transfer, or confirmation of book-entry transfer of the Notes into the Tender and Information Agent's account at the book-entry transfer facility, including any required signature guarantees, or an Agent's Message, and any other required documents, no later than 5:00 p.m., New York City time, on the second business day after the date of receipt by the Tender and Information Agent of this Notice of Guaranteed Delivery.

If a Holder is tendering Notes through ATOP pursuant to the Guaranteed Delivery Procedures set forth in the Offer to Purchase, the Eligible Guarantor Institution should not complete and deliver this Notice of Guaranteed Delivery, but such eligible guarantor institution will be bound by the terms of the Offer, including this Notice of Guaranteed Delivery, as if it was executed and delivered by such Eligible Guarantor Institution. Holders who hold Notes in book-entry form and tender pursuant to the Guaranteed Delivery Procedures set forth in the Offer to Purchase should, at or prior to the Guaranteed Delivery Date (as defined below), only comply with ATOP's procedures applicable to guaranteed delivery.

The Eligible Guarantor Institution that completes this form must communicate the guarantee to the Tender and Information Agent within the time period shown herein. Failure to do so could result in a financial loss to such participant.

Foreign holders that want to tender using a guaranteed delivery process should contact their brokers, the Company or the Tender and Information Agent.

Ladies and Gentlemen:

The undersigned represents that the undersigned owns and hereby tenders to Watco Companies, L.L.C. and Watco Finance Corp. (collectively, the “*Company*”), upon the terms and subject to the conditions set forth in the Offer to Purchase, dated July 8, 2024 (the “*Offer to Purchase*”), and this Notice of Guaranteed Delivery and instructions thereto (which, as they may be amended or supplemented from time to time, together constitute the “*Offer*”), receipt of which is hereby acknowledged, the principal amount of Notes, set forth below, all pursuant to the Guaranteed Delivery Procedures set forth in the Offer to Purchase.

The undersigned understands that tenders of Notes pursuant to the Offer may not be withdrawn after the Withdrawal Deadline. Tenders of Notes may be withdrawn prior to the Withdrawal Deadline, as provided in the Offer to Purchase.

All authority conferred or agreed to be conferred by this Notice of Guaranteed Delivery shall not be affected by, and shall survive, the death or incapacity of the undersigned, and every obligation of the undersigned under this Notice of Guaranteed Delivery shall be binding upon the heirs, executors, administrators, trustees in bankruptcy, personal and legal representatives, successors and assigns of the undersigned.

Guaranteed deliveries may be submitted only in principal amounts equal to \$2,000 and integral multiples of \$1,000 in excess thereof. Holders who do not tender all of their Notes must ensure that they retain a principal amount of Notes amounting to at least the minimum denomination for the Notes.

If a Holder is tendering Notes through ATOP pursuant to the Guaranteed Delivery Procedures set forth in the Offer to Purchase, the Eligible Guarantor Institution should not complete and deliver this Notice of Guaranteed Delivery, but such Eligible Guarantor Institution will be bound by the terms of the Offer, including this Notice of Guaranteed Delivery, as if it was executed and delivered by such Eligible Guarantor Institution. Holders who hold Notes in book-entry form and tender pursuant to the Guaranteed Delivery Procedures set forth in the Offer to Purchase should, at or prior to the Guaranteed Delivery Date, only comply with ATOP’s procedures applicable to guaranteed delivery.

As more fully described in the Offer to Purchase, guaranteed deliveries will be required to be provided no later than 5:00 p.m., New York City time, on July 19, 2024, which is two business days following the Expiration Date (the “*Guaranteed Delivery Date*”). The Settlement Date will take place promptly after the delivery of such accepted Notes, and is expected to be July 22, 2024. The Company will not pay accrued interest for any periods following the Settlement Date in respect of any Notes tendered in the Offer, including those tendered by the Guaranteed Delivery Procedures set forth herein and in the Offer to Purchase, and under no circumstances will additional interest be paid by the Company by reason of any delay in the Guaranteed Delivery Procedures.

Principal Amount of Notes Tendered: _____

Series of Notes that Principal Amount Tendered Relates To: _____

CUSIP of Notes that Principal Amount Tendered Related To: _____

Account Number: _____

Dated: _____, 2024

Name(s) of Registered Holder(s): _____

Address(es) (including Country and Zip Code): _____

Signature(s): _____

THE GUARANTEE ON THE REVERSE SIDE MUST BE COMPLETED.

GUARANTEE

(Not to be used for signature guarantee)

The undersigned, a firm that is a participant in the Securities Transfer Agents Medallion Program, or an “*Eligible Guarantor Institution*” (as such term is defined in Rule 17Ad-15 under the Securities Exchange Act of 1934, as amended), hereby (i) represents that the above-named persons are deemed to own the Notes tendered hereby, (ii) represents that such tender of Notes is being made by guaranteed delivery and (iii) guarantees that the Notes tendered hereby in proper form for transfer or confirmation of book-entry transfer of such Notes into the tender agent’s account at the book-entry transfer facility, pursuant to the procedures set forth in “*The Offer— Procedures for Tendering Notes—Guaranteed Delivery Procedures*” in the Offer to Purchase, and the Notes to be tendered or an Agent’s Message in the case of a book-entry delivery, and any other required documents, will be received by the Tender and Information Agent at its address set forth above within two business days after the date of execution hereof.

The Eligible Guarantor Institution that completes this form must communicate the guarantee to the Tender and Information Agent within the time period indicated herein. Failure to do so may result in financial loss to such Eligible Guarantor Institution.

Name of Firm: _____

Authorized Signature: _____

Name: _____

Title: _____

(Please Type or Print)

Address: _____

Zip Code: _____

Country: _____

Area Code and Telephone Number(s): _____

Dated: _____, 2024

DO NOT SEND THE NOTES WITH THIS FORM. ACTUAL SURRENDER OF THE NOTES MUST BE MADE PURSUANT TO, AND BE ACCOMPANIED BY ANY OTHER REQUIRED DOCUMENTS AS SET FORTH HEREIN.

Any questions or requests for assistance may be directed to the Dealer Manager at its address and telephone numbers set forth below. Additional copies of this Notice of Guaranteed Delivery may be obtained from the Tender and Information Agent at the address, email address or telephone numbers set forth below. A Holder may also contact such Holder's broker, dealer, custodian bank, depository, trust company or other nominee for assistance concerning the Offer.

The Tender and Information Agent for the Offer is:

D.F. King & Co., Inc.

48 Wall Street, 22nd Floor
New York, New York 10005

Banks and Brokers call: (212) 269-5550
Toll free: (800) 283-9185
Email: watco@dfking.com

The Dealer Manager for the Offer is:

Wells Fargo Securities, LLC

550 South Tryon Street, 5th Floor
Charlotte, North Carolina 28202
Attn: Liability Management Group
Toll-Free: (866) 309-6316
U.S Collect.: (704) 410-4759
Email: liabilitymanagement@wellsfargo.com