

# EXPLANATORY MEMORANDUM TO THE EXTRAORDINARY RESOLUTIONS

16 March 2023

## GUARDIAN SEGUR S.A., acting in respect of its Compartment 12

Société anonyme

7, Grand Rue, L-6630 Wasserbillig

R.C.S. Luxembourg: B 168659

(the **Issuer**)

Reference is made to a convening notice of a meeting of holders of Notes (as defined below) (the **Meeting**) dated 21 March 2023 for the purpose of enacting Extraordinary Resolutions (the **Notice**). Reference is made to up to 50,000 units of EUR Intellectual Property Opportunity Notes 2025 ISIN / WKN / VALOR XS1900866150 / A2TGR7 / 44733832 (the **EUR Notes**) and up to 50,000 units of CHF Intellectual Property Opportunity Notes 2025 ISIN / WKN / VALOR XS1900866663 / A2TGR6 / 44733831 (the **CHF Notes** and together with the EUR Notes, the **Notes**) issued by Guardian Segur S.A., acting in respect of its Compartment 12 (the **Issuer**) issued pursuant to a memorandum dated 12 November 2018 (the **Issue Document**).

Terms not defined herein will have the meaning ascribed to them in the Issue Document.

The purpose of this memorandum (the **Explanatory Memorandum**) is to set out the background and proposals for (i) a questions and answer session for the benefit of the holders of Notes managed by the Investment Advisor by videoconference, as set out in the Notice (the **Q&A**) and (ii) an Extraordinary Resolution (as defined in the Issue Document) to be held in respect of the Notes.

### 1. The Targeted Investments

Pursuant to the Issue Document, the Issuer has issued the Notes, the issue proceeds of which have been invested in Targeted Investments. The Notes are direct, unsecured, limited recourse debt obligations of the Issuer tracking the performance and backed by the Targeted Investments. Investments in respect of the Notes are advised by an investment committee acting as Investment Advisor; currently composed of Mr Harald Metz and Mr Jost Rodewald. The Targeted Investments consist initially of (i) CHF 42,857 participation certificates with CHF 1.00 par value and an agio of CHF 360.67 each in CBSP Event Management AG (**CBSP EMAG**), a Swiss based project company primarily operating in the event management sector in connection with Formula 1 and live concerts, and representing a participation in the total capital of CBSP EMAG of approximately 30% (the **Participation Certificates**) and (ii) USD 5,325,000 subordinated loans granted by the Issuer to CBSP EMAG pursuant to three loan agreements entered into between CBSP EMAG and the Issuer (the **Subordinated Loans**).

CBSP EMAG in turn has invested primarily in the operating business of Apollo World Touring AG (**AWT**), a Swiss entity operating in the event management sector in connection with Formula 1 and live concerts. CBSP EMAG's investments in AWT have principally been made as follows:

**Table 1**

<b>Booking date</b>	<b>Description</b>	<b>Amount CHF</b>	<b>Amount USD</b>
28.03.2019	Licence F1 1 <sup>st</sup> instalment	1,514,850.00	1,500,000.00
05.04.2019	Loan AWTAG (for OJK Ltd)	252,975.00	250,000.00
10.07.2019	Loan AWTA_G 16042019 2 <sup>nd</sup> instalment	3,893,987.50	3,875,000.00
30.09.2019	Loan AWTAG 16042019 3 <sup>rd</sup> instalment	3,540,680.00	3,575,000.00
31.12.2019	Loan AWTA_G 16042019 1 <sup>st</sup> instalment	5,767,830.00	5,700,000.00
16.07.2020	Loan AWTAG Bridge N°1	289,770.00	300,000.00
26.08.2020	Bearer Bond AWTAG 082020	190,280.00	200,000.00
30.09.2020	Loan AWTAG Bridge N°2	276,570.00	300,000.00
05.02.2021	Loan AWTAG Bridge °3	895,000.00	1,000,000.00
25.02.2021	Loan AWTAG Bridge N°4	313,250.00	350,000.00
10.05.2021	Loan AWTAG 200,000	187,560.00	200,000.00
25.06.2021	Loan AWTAG USD 20,000	18,328.00	20,000.00
30.06.2021	Loan AWTAG USD 200,000	183,280.00	200,000.00
31.08.2021	Loan AWTAG USD 300,000	278,760.00	300,000.00
29.09.2021	Loan AWTAG USD 900,000	830,970.00	900,000.00
29.10.2021	Loan AWTAG USD 150,000	139,335.00	150,000.00
24.11.2021	Loan AWTAG USD 150,000	140,385.00	150,000.00
22.12.2021	Loan AWTAG USD 150,000	139,380.00	150,000.00
26.01.2022	Loan AWTAG USD 150,000	139,875.00	150,000.00
24.02.2022	Loan AWTAG USD 150,000	138,930.00	150,000.00
29.03.2022	Loan AWTAG USD 100,000	93,220.00	100,000.00
30.03.2022	Loan AWTAG USD 50,000	46,610.00	50,000.00
28.04.2022	Loan AWTAG USD 50,000	46,945.00	50,000.00
28.04.2022	Loan AWTAG USD 100,000	93,890.00	100,000.00
		<b>19,412,660.50</b>	<b>19,720,000.00</b>

(the above referred to as the **CBSP EMAG Investments in AWT**).

Pursuant to a profit-sharing agreement by and between Corporate Business Solutions S.à r.l., CBSP World Tour Holding AG, CBSP EMAG, Apollo Branded Content Group International Limited and Apollo World Touring AG (the **Profit Sharing Agreement**), 15% of available cash of AWT arising from certain Formula 1 events may from time to time be distributed by AWT to CBSP EMAG for further distribution to its shareholders.

Pursuant to information provided by the Investment Advisor, the continuity of the business activities of CBSP EMAG and AWT were heavily impacted as a result of the Coronavirus (COVID-19). The Issuer was informed by its Investment Advisor and a letter dated 24 September 2021 of Colin & Cie Vermögensmanagement (**C&C**), representative to a majority of the Noteholders, that CBSP EMAG would initially have had to file for insolvency on or around 28 September 2021 as a result of its auditor no longer considering CBSP EMAG to be a “going concern” entity. C&C confirmed in this letter that it represents Noteholders representing 93.3% of the outstanding principal of the Notes at that time. As a result, the Issuer was advised by the Investment Advisor to execute a subordination agreement dated 27 September 2021 in order to further avert the insolvency of CBSP EMAG until 31 December 2021.

## 2. The Restructuring

The Issuer has now been informed by the Investment Advisor and C&C that, in light of the persisting precarious situation at CBSP EMAG and AWT, it is intended to restructure the activities of CBSP EMAG and related activities of, and investments in, AWT. The proposed Restructuring (as defined below) has been structured by the Investment Advisor and C&C without involvement of the Issuer. The manner in which CBSP EMAG and AWT are intended to be restructured is set out in this Section based on information obtained solely and exclusively from the Investment Advisor and C&C.

For the Restructuring, it has been requested that the Issuer disburses out of its own funds an amount of CHF 1,000,000 (the **Issuer Funding**). The Issuer has been informed that the Issuer Funding is intended to be deployed towards a subscription of further CHF 41,143 Participation Certificates with CHF 1,00 par value each. The issue price per Participation Certificate is set at CHF 24.31 by the board of CBSP EMAG, which according to the Investment Advisor is a comprehensible value derived from the CBSP EMAG Business Plan (as defined below and available for viewing by the holders of Notes).

The proposed issue price stems from negotiations between the Board of Directors of CSBP EMAG and Apollo Branded Content Group International Limited (**Apollo BC**) and reflects the maximum dilution amount Apollo BC is willing to accept in respect of its holdings in CBSP EMAG. The Investment Advisor deems that the current proposed issue price, which has not been subject to an independent third-party valuation, is appropriate in light of the financial difficulties of CBSP EMAG, the risks that certain elements of the Restructuring and the CBSP EMAG Business Plan may not be implemented, and the resulting circumstances (including for the avoidance of doubt the request for Issuer Funding from CBSP EMAG). The proposed issue price is based on the assumption that CBSP EMAG is a going concern company. The proposed issue price has only been substantiated by a cashflow forecast provided by the Investment Advisor as shown in Tables 2-4.

Prior to the Restructuring, the activities of CBSP EMAG are limited to the CBSP EMAG Investments in AWT which are investment activities into AWT with the goal to achieve a profit sharing after successful events organized by AWT. Under this model, cash flow and profit could just be generated by depending on AWT's business and events organised by it. Furthermore, the events organised by AWT have historically been planned as co-promotor events. That means that a higher cash amount has to be invested upfront to promote and organise the events (rent event locations, book talents, etc.) and there would therefore be a subsequently higher return as AWT would ultimately share in the profits of the events, which materialise in subsequent years. CBSP EMAG has currently invested USD 19,720,000.00 by way of the CBSP EMAG Investments in AWT.

As part of the restructuring process, it is intended for CBSP EMAG to reduce its risk on AWT by ensuring that AWT initially implements a licensed event business model. CBSP EMAG will licence events to third parties who will underwrite all the costs of the event and benefit fully in their potential profitability. AWT will be paid for creating the intellectual property rights and supporting and organising the events being licenced. Following the Restructuring, contracts with promoters, events companies and other similar actors will be signed between CBSP EMAG and the counterpart directly. Therefore revenues will be held in CBSP EMAG prior to distribution to AWT. CBSP EMAG will keep 30% of these revenues as license fee. The remaining amounts will then be distributed to AWT or another operating partner company ensuring the organisation of the events. This ensures CBSP EMAG will generate a more stable return from each contract and event by way of license fees only, as opposed to rights to profits in the actual events organised as was the case prior to the Restructuring. In addition, CBSP EMAG will share further in any profit generated by the operating companies, although this is anticipated to be minimal as they are now merely service companies with third party licensees returning event profits.

As per the above, CBSP EMAG intends to redirect its operating revenue towards licensing income, including license income generated ultimately by AWT. The AWT brand will be made available to event organisers against

remuneration as the main source of revenue. The main difference between prior and after the Restructuring, is that after the Restructuring CBSP EMAG's intention is to focus on a reduced risk licensed events business model. This model requires much less upfront cash payments, although some investments will still be required to create the intellectual property rights and to service the licences. The expectation is however that it will generate upfront licence fee revenue and further fees for services provided by the operating companies, which might have some element of profit after providing the contracted services to licensees. It should be noted that this model does not eliminate the risk on AWT, as AWT's brand is key in order to generate licensing revenues.

In light of the restructuring of its activities, CBSP EMAG has entered into a licensing agreement dated 13 December 2022 with Poptune Productions Co Ltd, a Korean entity pursuant to which CBSP EMAG has granted an exclusive license to use YourWorld's copyrights, trademarks and other marks in relation to agreed events, mainly covering the Asian market (the **Licensing Agreement**). Notwithstanding that a long form licensing agreement has not been executed, which constitutes a termination right for CBSP EMAG of the Licensing Agreement – up until the date of this Memorandum, the Licensing Agreement has not been terminated by the parties to it. As a result of the entry into the Licensing Agreement, fees have been generated by CBSP EMAG, and further fees will be generated subject to certain events and milestones occurring. As at the date of the Notice, the following events are in the process to be organised by Poptune Productions Co Ltd on the dates set out below:

- *YourWorld Seoul April 2024*
- *YourWorld Seoul April 2025*
- *YourWorld Seoul April 2026*
- *YourWorld Seoul April 2027*
- *YourWorld Seoul April 2028*

An initial payment of USD 175,000 against the Year 1 fees and costs was due to CBSP EMAG within 30 business days of signing of the Licensing Agreement, initially due on 26 January 2023. This amount has been received from Poptune Productions Co Ltd by CBSP EMAG on 21 February 2023. An overview of other fees expected to be generated by CBSP EMAG in respect of the Licensing Agreement are shown in Table 2 below and relate to events to be organised in their subsequent calendar year.

Pursuant to the Investment Advisor, CBSP EMAG is also in the process of negotiating a licensing agreement covering the Indian market and it is intended to seek licensing agreements for the Taiwan, Hong Kong and Japanese markets. The continuity of CBSP EMAG's activities is contingent upon the implementation of these licensing agreements. However, as at the date of this Explanatory Memorandum, none of these agreements have materialised and there is a risk that they may never materialise, which may further affect the financial situation of CBSP EMAG adversely, notwithstanding the Issuer Funding.

**Table 2**

**Expected Worldtour Korea Fees expressed in USD<sup>1</sup>**

		<b>Year 1 Events 2023</b>	<b>Year 2 Events 2024</b>	<b>Year 3 Events 2025</b>	<b>Year 4 Events 2026</b>	<b>Year 5 Events 2027</b>	<b>Sum</b>
<b>Event License Fee per event</b>	\$	150,000.00	150,000.00	200,000.00	200,000.00	300,000.00	
<b>Number of Events</b>		1	1	1	1	1	
<b>Total License Fees</b>	\$	150,000.00	150,000.00	200,000.00	200,000.00	300,000.00	<b>1,000,000.00</b>
<b>Assumed sold Tickets</b>		30,000.00	30,000.00	50,000.00	50,000.00	70,000.00	
<b>Total Tickets Revenue</b>	\$	30,000.00	30,000.00	50,000.00	50,000.00	70,000.00	<b>230,000.00</b>
<b>Touring Production Cost Contribution</b>	\$	50,000.00	50,000.00	100,000.00	100,000.00	150,000.00	
<b>Total Production Contribution</b>	\$	50,000.00	50,000.00	100,000.00	100,000.00	150,000.00	<b>450,000.00</b>
<b>Talent Procurement Fee</b>		10.00%	10.00%	10.00%	10.00%	10.00%	
<b>Talent cost per 2 Day event</b>	\$	3,900,000.00	4,900,000.00	5,000,000.00	5,000,000.00	5,000,000.00	
<b>Total Talent commission to CBSP</b>	\$	390,000.00	490,000.00	500,000.00	500,000.00	500,000.00	<b>2,380,000.00</b>
<b>Local Sponsorship Fees</b>		10.00%	10.00%	10.00%	10.00%	10.00%	
<b>Local Broadcast Income</b>		10.00%	10.00%	10.00%	10.00%	10.00%	
<b>Total Income 5 Years</b>							<b>4,060,000.00</b>

<sup>1</sup> Figures established as per Licensing Agreement.

A summary of revenue and cost projections in respect of CBSP EMAG can be found in Table 3 and 4 below:

**Table 3**

PnL	Jan 23	Feb 23	Mrz 23	Apr 23	Mai 23	Jun 23	Jul 23	Aug 23	Sep 23	Okt 23	Nov 23	Dez 23	2023							
Licensing Income		163.000	-	75.000	5.850	5.850	133.350	5.850	19.800	75.300	232.800	82.500	799.300							
Salary	30.000	30.000	30.000	30.000	30.000	30.000	30.000	35.100	35.100	35.100	35.100	35.100	385.500							
General Expenses	2.671	-	-	2.671	-	-	2.671	-	-	2.671	-	100.500	111.185							
Financing Cost	-	-	-	-	-	-	-	-	-	-	-	-	-							
Tax			2.300										2.300							
SUM Expenses	32.671	30.000	32.300	32.671	30.000	30.000	32.671	35.100	35.100	37.771	35.100	135.600	498.985							
<b>Net Profit</b>	-	<b>32.671</b>	<b>133.000</b>	-	<b>32.300</b>	<b>42.329</b>	-	<b>24.150</b>	-	<b>24.150</b>	<b>100.679</b>	-	<b>29.250</b>	-	<b>15.300</b>	<b>37.529</b>	<b>197.700</b>	-	<b>53.100</b>	<b>300.315</b>
<b>Cashflow</b>	<b>Jan 23</b>	<b>Feb 23</b>	<b>Mrz 23</b>	<b>Apr 23</b>	<b>Mai 23</b>	<b>Jun 23</b>	<b>Jul 23</b>	<b>Aug 23</b>	<b>Sep 23</b>	<b>Okt 23</b>	<b>Nov 23</b>	<b>Dez 23</b>								
Working Capital																				
Loan to AWT AG / OpCo		-	93.100		-	31.500		-	72.345		-	28.140	-	138.390	-	33.180	-	396.655		
Capital Increase				1.000.000														1.000.000		
RST Interest																		-		
Balance	3.539	73.439	71.139	1.006.967	961.967	937.817	838.651	936.901	907.651	861.540	763.350	827.270								

**Table 4**

PnL	Jan 24	Feb 24	Mrz 24	Apr 24	Mai 24	Jun 24	Jul 24	Aug 24	Sep 24	Okt 24	Nov 24	Dez 24	2024								
Licensing Income	-	217.500	166.980	-	243.660	-	-	17.280	117.000	133.500	240.000	225.000	1.360.920								
Salary	-	-	-	-	-	-	-	-	-	-	-	-	-								
General Expenses	2.671	-	-	2.671	-	-	2.671	-	-	2.671	-	100.500	111.185								
Financing Cost	-	-	-	-	-	-	-	-	-	-	-	100	100								
Tax			2.300										2.300								
SUM Expenses																					
<b>Net Profit</b>	-	<b>2.671</b>	<b>217.500</b>	<b>164.680</b>	-	<b>2.671</b>	<b>243.660</b>	-	-	<b>2.671</b>	<b>17.280</b>	<b>117.000</b>	<b>130.829</b>	<b>240.000</b>	<b>124.400</b>	<b>1.247.335</b>					
<b>Cashflow</b>	<b>Jan 24</b>	<b>Feb 24</b>	<b>Mrz 24</b>	<b>Apr 24</b>	<b>Mai 24</b>	<b>Jun 24</b>	<b>Jul 24</b>	<b>Aug 24</b>	<b>Sep 24</b>	<b>Okt 24</b>	<b>Nov 24</b>	<b>Dez 24</b>									
Working Capital																					
Loan to AWT AG / OpCo	-	-	152.250	-	116.886	-	-	170.562	-	-	12.096	-	81.900	-	93.450	-	168.000	-	157.500	-	952.644
Capital Increase																					-
RST Interest																					-
Balance	824.599	672.349	770.663	934.971	764.409	1.008.069	1.005.398	993.302	928.682	949.561	915.061	896.961									

The above summaries reflect a projected increase in working capital in April 2023, which reflects the Issuer Funding, if granted.

The current board of directors of CBSP EMAG is constituted of Mr Patrick Storchenegger, Mr Jost Rodewald (equally residing in the investment committee of the Issuer), Mrs Rebecca Artmonsky and Mr Paul Morrison. In order to conduct the Restructuring, Rebecca Artmonsky and Paul Morrison will act as operational managers of CBSP EMAG. The remuneration of the operational managers set jointly at CHF 385,500 for 2023, will be borne out of the Issuer Funding and operational revenue of CBSP EMAG.

The above elements are together referred to as the **Restructuring**.

In connection with the Restructuring, the following financial information and documents are provided by the Investment Advisor on a cloud platform set up by the Issuer for access by the holders of Notes upon showing proof of holding:

- An overview of the licensing revenue cost projections prepared by the Investment Advisor in respect of the Asian market;
- The balance sheet of CBSP EMAG, up-to date as at the date of this Explanatory Memorandum;
- An overview of the transaction steps of the recapitalisation in respect of CBSP EMAG;

- A business plan in respect of the Restructuring, prepared by CBSP EMAG (the **CBSP EMAG Business Plan**); and
- A copy of the executed investment advice provided by the Investment Advisor to the Issuer.

Noteholders who wish to access these documents may contact the Issuer at [directors@guardiansegur.lu](mailto:directors@guardiansegur.lu). The Restructuring has been structured and proposed by the Investment Advisor to the Issuer, and the Issuer bears no responsibility as to the content, the accuracy or the merits of the documents provided by the Investment Advisor on its cloud platform. Further reference is made to Section 5 of this Explanatory Memorandum.

### 3. Proposed restructuring of Targeted Investments

The Issue Document of the Notes provides that the issue proceeds of the Notes are to be invested into Targeted Investments. In connection with the Restructuring, certain arrangements in respect of the Targeted Investments need to be revisited for which approval by the Noteholders is sought. The following steps are intended to be taken by the Issuer in respect of the Restructuring:

1. Provision of the Issuer Funding in an amount of CHF 1,000,000 to CBSP EMAG and to be allocated towards the Restructuring and the Proposal as follows:

(i) firstly, by the Issuer in or towards the Additional Participation Certificates Subscription (as defined below);

(ii) secondly, to be applied by CBSP EMAG in or towards the items set out in the CBSP EMAG Business Plan, in particular:

- towards payment of the remuneration of the operational managers of CBSP EMAG in a total amount of CHF 385,500.00 for the year 2023;
- payment of general expenses at the level of CBSP EMAG of approximately CHF 114,000.00 p.a.;
- further expenses necessary to initiate the above described licensing business, which pursuant to the Investment Advisor cannot be reliably estimated by them at the time when this document has been finalized.

The Issuer wishes to point out that the ultimate allocation of the funds to be deployed to CBSP EMAG is subject to the discretion of the management of CBSP EMAG within the scope of CBSP EMAG's articles of association and bylaws.

2. Subscription to CHF 41,143 additional Participation Certificates with par value of CHF 1.00 each to be issued by CBSP EMAG to the Issuer at an issue price of CHF 24.31 (the **Additional Participation Certificates Subscription**).

The Issuer reminds the holder of Notes that the Issuer Funding will be provided out of the Issuer's remaining funds in its Compartment 12. The Additional Participation Certificates are intended to be subscribed to pursuant to a Swiss law governed subscription form to be entered into by the Issuer (the **Subscription Form**);

3. The subordination of the Subordinated Loans with effect as of 31.12.2021 (the **Loan Subordination**). It is intended for the Issuer to enter into a subordination agreement governed by Swiss law with CBSP EMAG in respect of the Loan Subordination (the **Subordination Agreement**).

4. Waiver of debt and interest in an amount of USD 5,325,000.00 outstanding nominal plus interest on the Subordinated Loans as of 1 January 2022 (the **Debt Waiver**). The Debt Waiver is intended to be entered into by and between the Issuer and CBSP EMAG (the **Waiver of Debts Agreement**);

5. As a result of the Issuer Funding, the Loan Subordination and the Debt Waiver, the Issuer is allocated an issue premium of 15.65% of capital participation (the **Additional Capital Participation Rate**) in CBSP EMAG in the form of Participation Certificates which are subscribed to and form part of the Additional Participation Certificates Subscription (the **Additional Participation Certificates Allocation**).

The Issuer Funding, the Additional Participation Certificates Subscription, the Waiver of debt and interest, the Additional Participation Certificates Allocation and the documents entered into in connection therewith are together referred to as the **Proposal**.

In order to give effect to the Proposal, the following documents will be required to be executed by either, the Issuer or CBSP EMAG:

- the Subscription Form;
- the Subordination Agreement; and
- the Waiver of Debts Agreement.

(Together the **Proposal Documents**).

Draft versions of the Proposal Documents are provided by the Investment Advisor on a cloud platform set up by the Issuer for access by the holders of Notes upon showing proof of holding. Noteholders who wish to access these documents may contact the Issuer at [directors@guardiansecur.lu](mailto:directors@guardiansecur.lu). The Restructuring has been structured and proposed by the Investment Advisor to the Issuer, and the Issuer bears no responsibility as to the content, the accuracy or the merits of the documents provided by the Investment Advisor on its cloud platform. Further reference is made to Section 5 of this Explanatory Memorandum.

#### 4. Extraordinary Resolutions

On the forthcoming Meeting, the following Extraordinary Resolutions will be submitted to the Noteholders.

##### **First Resolution – Approval of the Issuer Funding**

Approval by the Noteholder that the Issuer in principle provides the Issuer Funding for the purpose of application only towards the Restructuring and the Proposal and voting in favour of the Issuer Funding to CBSP EMAG.

##### **Second Resolution – Acknowledgement of the Restructuring and approval of the implementation of the Proposal**

Following a positive vote by the Noteholder in respect of the First Resolution, (i) Acknowledgement by the Noteholder (a) of the Restructuring, the Proposal and the Proposal Documents, (b) that it has been provided with the Explanatory Memorandum, has been able to raise questions during the Q&A and the Meeting and has received satisfactory answers to the questions raised by it and (c) has a full understanding of the structure of the Restructuring and the Proposal and (ii) voting by the Noteholder in favour of implementing the Proposal as set out above.



### **Third Resolution – Miscellaneous**

Following a positive vote by the Noteholder in respect of the First Resolution and the Second Resolution, the Issuer reserves the right (but without any obligation to do so) to execute any other documents or steps determined as necessary or recommended in writing by the Investment Advisor to be executed in respect of the Proposal without the consent of the holders of Notes (which may, among other things, result in an increase or decrease of the Additional Capital Participation Rate or increase or decrease of the Additional Participation Certificates Subscription or an increase or decrease of the Issuer Funding).

By voting in favour of each of the Extraordinary Resolutions each holder of Notes duly present or represented at the Meeting, approves the above resolutions. Any resolution passed at a meeting of the Noteholders duly convened and held in accordance with the provisions of the paying agency agreement dated 9 November 2018 between Banque et Caisse D'Epargne de L'Etat, Luxembourg as paying agent and the Issuer as issuer shall be binding upon all the Noteholders, whether present or not present at the meeting and whether or not voting, and each of them shall be bound to give effect to the resolutions accordingly and passing of any resolution shall be conclusive evidence that the circumstances justify its passing.

#### 5. This Explanatory Memorandum does not constitute advice

The Restructuring and the Proposal have solely been structured and developed by the Investment Advisor and C&C. The Issuer has not been involved in the structuring of the Restructuring and the Proposal and is not responsible for the accuracy of the information provided (including for the avoidance of doubt any information uploaded on the cloud made available by the Issuer) in respect of the Restructuring and the Proposal for which it relies solely on the Investment Advisor and C&C.

The Issuer has not been involved in the structuring of the Restructuring or the Proposal and does not express any opinion on the details, effects or merits of the Restructuring or the Proposal (including for the avoidance of doubt its economic outlook). The Issuer does not make any representations as to the implementation of the Restructuring or the Proposal.

The decision as to whether or not the Proposal should be approved lies solely with the holders of Notes, where applicable, as instructed by the beneficial owner(s) thereof, and no other party. If you are in doubt about any aspect of these proposals and/or the action you should take, you are recommended to seek your own financial advice immediately from a broker, bank manager, legal professional, accountant or other authorised financial adviser or from other appropriately authorised independent financial adviser and any other advice from your own professional advisers as you may deem necessary.

The Issuer is not providing you with any advice in respect of the Notice or the Explanatory Memorandum and the information provided herein is based solely on information received by the Investment Advisor, which has reviewed this Explanatory Memorandum and confirmed the accuracy of the information it reflects.

Holders of Notes should be aware that a resolution approved by way of an Extraordinary Resolution is required in order for the Proposal to be effective and the resolution so passed shall be binding on all the holders of Notes.